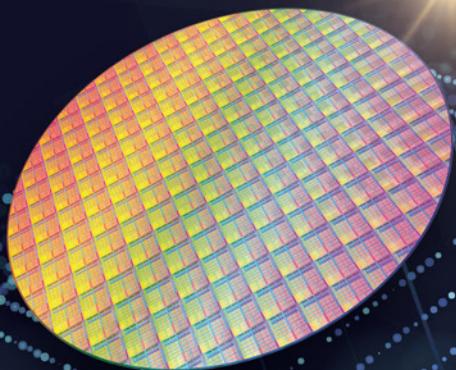




UWC BERHAD
(201801012223)
(1274239-A)

FORGING AHEAD WITH NEW TECHNOLOGY



**ANNUAL REPORT
2024**



UWC BERHAD
(201801012223)
(1274239-A)



VISION

To be the preferred integrated OEM partner providing complete solutions with leading edge technology



MISSION

To provide comprehensive solutions for High-Tech Strategic Partners, to delight the customers, to develop supplier partnerships and to be the workplace of choice



CORE VALUES

- U** – Unity
- W** – Willpower
- C** – Commitment

7th ANNUAL GENERAL MEETING



Sri Mas Ballroom, Level 4,
Bayview Hotel Georgetown Penang,
25A Farquhar Street,
10200 George Town,
Penang, Malaysia



Monday, 6 January 2025
2.30 p.m.

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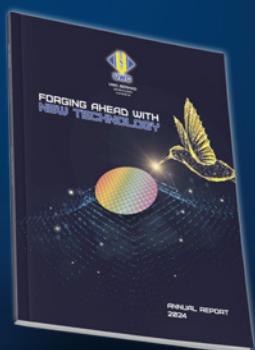
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FORGING AHEAD WITH NEW TECHNOLOGY

The wafer semiconductor is used as a core element of the design, representing UWC Berhad's expertise in utilising cutting-edge technology to keep up with the ever-evolving needs of customers, delivering both quality and efficiency as a one-stop manufacturer.

Embodying UWC's commitment to embracing technological advancements to deliver the most effective solutions, a hummingbird, known for its resilience and agility, is incorporated to represent UWC's strength in overcoming adversities and thriving amidst new innovations. Outlined in yellowish-golden futuristic vectors with a glow on its beak to symbolise precision and excellence, the hummingbird is designed to be hovering over the wafer, signifying UWC's mastery of intricate, high-tech solutions, with the aim to elevate the excellence of their services.

Set against a dark background with illuminated beams mimicking the global market, this design represents limitless potential and forward momentum to excel in the industry. Overall, this visually-striking concept of incorporating a wafer positioned atop the tower of beams with a soaring hummingbird, conveys the innovative pursuit of UWC to reach greater heights with cutting-edge advancements.



CORPORATE INFORMATION



BOARD OF DIRECTORS

Dato' Wan Hashim Bin Wan Jusoh

Independent Non-Executive Chairman

Dato' Ng Chai Eng

Executive Director/Group CEO

Dato' Lau Chee Kheong

Executive Director/Group COO

Dato' F'ng Meow Cheng

Independent Non-Executive Director

Dato' Lio Chee Yeong

Independent Non-Executive Director

Jariyah Binti Hashim

Independent Non-Executive Director

(Appointed on 2 May 2024)

Dr. Ng Chin Liang

Alternate Director to Dato' Ng Chai Eng/Deputy Group CEO

AUDIT COMMITTEE

Chairman

Dato' F'ng Meow Cheng

Member

Dato' Lio Chee Yeong

Jariyah Binti Hashim

REMUNERATION COMMITTEE

Chairman

Dato' Lio Chee Yeong

Member

Dato' F'ng Meow Cheng

Jariyah Binti Hashim

NOMINATION COMMITTEE

Chairman

Dato' Lio Chee Yeong

Member

Dato' F'ng Meow Cheng

Jariyah Binti Hashim

RISK MANAGEMENT COMMITTEE

Chairman

Jariyah Binti Hashim

Member

Dato' Lio Chee Yeong

Dato' F'ng Meow Cheng

COMPANY SECRETARY

Ong Lu See

LS 0006228

SSM PC No. : 201908001450

Kong Sown Kaey

MAICSA 7047655

SSM PC No. : 202008001434

AUDITORS

BDO PLT (201906000013)

(LLP0018825-LCA) & AF 0206)

Chartered Accountants

51-21-F, Menara BHL

Jalan Sultan Ahmad Shah

10050 Pulau Pinang

Tel : (604) 222 0288

Fax : (604) 222 0299

REGISTERED OFFICE

35, 1st Floor, Jalan Kelisa Emas 1

Taman Kelisa Emas

13700 Seberang Jaya

Pulau Pinang

Tel : (604) 397 6672

Fax : (604) 397 6675

HEAD OFFICE/

PRINCIPAL PLACE OF BUSINESS

PMT 744-745, Jalan Cassia Selatan 5/1

Taman Perindustrian Batu Kawan

14110 Bandar Cassia

Pulau Pinang

Tel : (604) 555 6937

Fax : (604) 589 9509

Website : www.uwcberhad.com.my

E-mail : uwc@uwcberhad.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House

Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No.8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : (603) 2783 9299

Fax : (603) 2783 9222

PRINCIPAL BANKER

Hong Leong Bank Berhad

No.1823-G1, Jalan Perusahaan Auto-City

North-South Highway Juru Interchange

13600 Prai, Pulau Pinang

Tel : (604) 502 1488

Fax : (604) 507 9488

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

Stock Name : UWC

Stock Code : 5292

Sector : Technology

Sub-sector : Semiconductor

CORPORATE STRUCTURE

AS AT 31 JULY 2024



⁽¹⁾ Acquired on 8 November 2023

⁽²⁾ Incorporated on 29 April 2024

Company	Date of Incorporation	Ownership Interest	Principal Activities
UWC Berhad	29 March 2018		Investment holding
UWC Holdings Sdn. Bhd.	22 August 1990	100%	Provision of precision sheet metal fabrication and value-added assembly services
UWC Industrial Sdn. Bhd.	31 May 2005	100%	Provision of precision sheet metal fabrication and value-added assembly services, contract manufacturing of automated test equipment
UWC Automation Sdn. Bhd.	28 July 2000	100%	Provision of precision machined components
UPLUS Solutions Sdn. Bhd.	01 June 2020	60%	Provision of engineering, designing, manufacturing and assembling for automation solutions
USURFACE Technology Sdn. Bhd.	10 February 2022	61%	Manufacturing of machinery, provision of sheet metal fabrication and finishing treatment
C MAX Manufacturing Sdn. Bhd.	11 February 2022	70%	Provision of precision sheet metal fabrication
WEPLUS Greentech Sdn. Bhd.	29 June 2020	51%	Manufacturing, trading, distribution and assembling of all range of plastic injection molding products and plastic parts
UWC Technology Sdn. Bhd. <i>(Formerly known as Surfplate Technology Sdn. Bhd.)</i>	18 July 2012	100%	Manufacturing of front-end semiconductor equipment and components
UW-C Pte. Ltd.	14 November 2022	100%	Dormant
MCE Technologies Sdn. Bhd.	16 July 1999	51%	Manufacturing in metal components
MCT Thailand Co., Ltd.	29 February 2012	100%	Manufacturing of metal stamping for computer equipment and automotive spare parts
North Greentech Sdn. Bhd.	29 April 2024	60%	Dormant

MEDIA HIGHLIGHTS



<https://www.uwcberhad.com.my/news/>

The Star

14 August 2024

UWC earnings poised for turnaround on increase in orders



Philip Capital pointed out that UWC had bagged RM30mil worth of new orders in the fourth quarter ended July 31, 2024.

PETALING JAYA: UWC Bhd's outlook appears promising on the back of an increase in order inflows as well as signs of recovery suggesting that earnings have likely bottomed out in recent quarters and are poised for a turnaround.

Philip Capital is optimistic about the company given its front-end (FE) segment is turning positive with improving order inflows and an ongoing effort to qualify a new customer.

The research house pointed out that UWC had bagged RM30mil worth of new orders in the fourth quarter ended July 31, 2024 (4Q24).

"Given the expected surge in orders over the next 12 months, current capacity appears to be insufficient; as such, management is looking to invest in new capacity and cleanroom facilities.

"UWC is also working towards qualifying a new FE customer by end of the calendar year 2024, with the aim of contributing to earnings in 2H25," Philip Capital added.

It noted that the FE segment contributes 20% to the group's total order book of RM130mil, with the largest FE customer accounting for 18%.

As for its back-end (BE) segment, the research house said reviving the BE business volume would face limited downside risks although the pace of recovery remained uncertain.

"Its other US-based BE customer (representing 25% of the current order book) is showing promising signs of recovery, with test handler production rebounding to 50% of its peak levels of the calendar year 2022 in July 2024," the research house noted. It added that UWC is expanding its production capacity by 20% to 30% to accommodate the expected high order volumes driven by increased artificial-intelligence adoption.

"The new operations in Johor and Thailand are expected to achieve breakeven in 4Q24, with profitability expected to materialize in 2H25," Philip Capital said.

It has maintained a "buy" recommendation on the counter with a target price of RM3.68 based on an unchanged 35 times price earnings multiples on FY25 earnings per share.

"We believe the earnings recovery trajectory for FY25 remains on track and is expected to surpass FY24 profit levels, driven by improving FE and BE orders from key customers," the research house added.

It pointed out that key downside risks include prolonged sector recovery, which could lead to continued customer order delays and further margin contraction.

The Star

25 June 2024

UWC expands capacities amid semiconductor and EV projects



KUALA LUMPUR: UWC Bhd is currently expanding its capacity to cater for its' existing core business as well as new front-end semiconductor engineering businesses and electric vehicles projects.

"The group targets to complete Phase Two of its' new facility in Batu Kawan Industrial Park by December 2024. In addition, its new facility in Kamunting, Taiping is ready with the infrastructure setup already ongoing for fabrication works," UWC said in the note accompanying its financial results.

The integrated engineering supporting services provider has also invested in a vertical warehouse management system that can save significant space for production facilities.

As part of its expansion, the group created a new subsidiary called North GreenTech Sdn Bhd. This subsidiary makes, distributes, and provides services for renewable energy and electric vehicle equipment.

"The group has ventured into the front-end semiconductor engineering-related businesses by securing several modules from the industry while working on other potential project transfers in coming years.

"Albeit facing near-term challenges of weaker market demand for consumer devices that affect semiconductor consumption, the group expects a gradual recovery in the year 2024, particularly in the improvement of system level and performance testers," UWC said, adding that it won multiple projects and orders have been loaded from front-end customers.

In the third quarter ended April 30, UWC's net profit fell to RM4.02mil compared with RM4.7mil a year ago.

Revenue for the quarter was RM66mil compared with RM47.7mil recorded in the corresponding quarter of the previous year, mainly due to revenue contributions from recently acquired subsidiaries.

UWC has maintained an optimistic outlook towards both its business and the industries in which it operates for the coming years while currently observing signs of recovery.

"The group continues to focus on commencing new projects, onboarding new customers and strategising long-term growth plans to optimise potential business opportunities," it said.

The Edge

15 February 2024

UWC sets sights on next chip up cycle



Cover Story: UWC sets sights on next chip up cycle

By Liew Jia Teng/The Edge Malaysia

15 Feb 2024, 02:00 pm

This article first appeared in The Edge Malaysia Weekly on February 5, 2024 - February 11, 2024

At the height of the Covid-19 pandemic, Penang-based integrated engineering solutions provider UWC Bhd stood as one of the most valuable technology firms on Bursa Malaysia, boasting a market capitalisation of almost RM8 billion.

In 2020 and 2021, the global chip shortage had propelled the share prices of semiconductor and semiconductor-related companies, including UWC, to historical highs. These counters, however, experienced a sharp correction in 2022 as the supply overcapacity expansion came on stream amid tapering global demand.

Simply put, the chip crunch eventually turned into a glut. Consequently, UWC's market value was halved to about RM4 billion in 2022. The group's net profit almost halved to RM3.3 million in the financial year ended July 31, 2023 (FY2023), from its record high of RM10.8 million in FY2022.

In an exclusive interview with The Edge at UWC's headquarters in Batu Kawan Industrial Park, executive director and group CEO Datuk Ng Chai Eng highlights that the worst is over for the global semiconductor industry, which faced oversupply issues over the last two years.

He observes that industry bellwether Taiwan Semiconductor Manufacturing Co Ltd (TSMC) had gradually depleted its stockpile of chips and, since early 2023, the Taiwanese chip giant's utilisation rate has picked up.

"In fact, many of our customers from the front-end segment have indicated that the global semiconductor industry will be seeing a 'tsunami of orders' in 2025. Therefore, we are expanding our capacity to cater to our clients' growing demand," says the 61-year-old.

Chai Eng points out that over the past 40 years, the semiconductor industry has had its ups and downs, but it has always bounced back and come back stronger.

"This trend is evident in history. The up cycle has always been more significant than the downcycle, because global consumption of semiconductors is kept increasing. Like it or not, humans can no longer live without technology. UWC has to be prepared to capture the 'tsunami of orders' and opportunities," he says, adding that the group will ride on the global growth over the next two to three years.

Chai Eng co-founded UWC with his business partner Datuk Lau Chee Kheong in 1990. The company, which was incorporated under the name of Unique Wire Cut Sdn Bhd, began as a trading outfit that supplied wire cut machines to customers from various industries, and subsequently forayed into metal stamping, welding and making of machined components.

The Star

20 December 2023

UWC set to build on semiconductor recovery

PETALING JAYA: Despite a weak start to its new financial year, UWC Bhd is optimistic about its business outlook amid signs of recovery in the semiconductor industry.

The technology-services provider is currently looking at expanding its capacity for front-end semiconductor manufacturing and electric vehicle (EV) projects, with the first phase of its new facility in Batu Kawan Industrial Park, Penang expected to be completed by the first quarter of 2024, 2024, Hong Leong Bank Investment Bank (HUB) Research said.

In addition, the research house pointed out that UWC has completed construction of its new fabrication site in Kamunting, Perak and is buying other land.

"In the long run, the group intends to house all its fabrication activities in Taiping, while Penang site focus on high-end assembly jobs," HUB Research said.

HUB Research reiterated a "hold" call on UWC, with a lower target price of RM3.24, compared with RM3.27 previously, based on an unchanged price-to-earnings multiple of 34 times the estimated earnings for the financial year ending July 31, 2025 (FY25).

The revised target price reflects HUB Research's cut in its earnings forecast for UWC.

"At this juncture, we think the risk-reward is fair, despite the ongoing trade tensions that may eventually benefit UWC, which provides a one-stop solution as more companies shift production out of China to avoid import tariffs," HUB Research said.

The brokerage cut its earnings forecasts for UWC by 16% for FY24 and 1% for FY25.

In the first quarter ended Oct 31, 2023 (1QFY24), UWC's net profit fell 85.1% to RM4.35mil from RM29.25mil in 1QFY23 on lower revenue. Consequently, its earnings per share declined to 0.4 sen from 2.6 sen previously.

During the period under review, the group's revenue slid 50.7% to RM45.46mil from RM92.12mil in the corresponding period last year.

HUB Research noted the results were below expectations, accounting for only 1% of its full-year and consensus forecasts. The deviation was due to lower-than-expected revenue and margins, it said.

"Turnover shrank due to the impact of macroeconomic headwinds, especially with a semiconductor-market cyclical downturn; HUB Research said.

"The uncertainty caused shifts in consumer behaviour that led to fluctuations in market demand for electronic products and technological devices, thus temporarily affecting the semiconductor sector's performance," the research house added.

In a filing to Bursa Malaysia, UWC, citing the latest forecast from World Semiconductor Trade Statistics, said the semiconductor market is expected to experience a robust recovery, with a growth of 13.1% in 2024.

Expansion in 2024 is anticipated across all categories and primarily driven by the memory sector, it added.

"The group continues to focus on commencing new projects, bringing on board new customers and strategising long-term growth plans to optimise potential business opportunities," UWC said.

Pocket News

29 December 2023

ASM PRISM Award



PETALING JAYA, December 29 - UWC Berhad, a prominent semiconductor wafer processing equipment company, has been honored with the esteemed PRISM Award in South Korea, underscoring its exceptional performance, continual progress, and commendable contributions to Environmental, Social, and Governance (ESG) practices.

Specializing in the design, production, sales, and maintenance of semiconductor processing equipment, UWC Berhad clinched a spot among the top 15 manufacturers globally recognized with the Sustainability PRISM Award - Supply Chain.

This accolade acknowledges the company's commitment to sustainability, with categories for leadership, innovation, and collaboration. UWC secured a top-three position among over 1000 suppliers worldwide. The award signifies UWC Berhad's outstanding efforts in collaborating with various government organizations to build a sustainable workforce. Through its talent development initiative, the company actively participates in the Academy in Industry (AiI) program, launched by the Government in August 2023. All is a work-based program designed to address challenges in building a pool of skilled workers through a demand-driven approach, focusing on market and industry needs.

UWC Berhad's efforts align with the goals of elevating Technical and Vocational Education and Training (TVET) programs, as outlined in the New Industrial Master Plan 2030 (NIMP 2030). UWC Berhad's collaboration with AiI reflects its commitment to bridging education disparities, fostering local talent, and contributing to robust industrial development. The program is expected to enhance Malaysia's national education attainment, alleviate labor force shortages, and boost industry productivity.

The acknowledgment received from the PRISM Award in Korea further highlights UWC Berhad's dedication to social responsibility and sustainable talent development.

Bulletin Mutiara

23 April 2024

Jagdeep commends UWC's adaptive spirit



UWC Berhad has made significant strides to achieve its current status as a world-class contract manufacturing player.

During his visit to UWC Industrial Sdn Bhd today, Deputy Chief Minister Jagdeep Singh Deo applauded UWC for its courage in embracing change, which has led to its success story.

Jagdeep highlighted UWC's remarkable ability to navigate growth across various sectors while ensuring its workforce evolves alongside it over the past three decades.

"Keep up the hard work and smart strategies; the Penang state government is committed to maintaining a robust talent pipeline to meet both your needs and those of the industry."

"This shows the direction Penang is headed, where all stakeholders stand to benefit from the substantial growth potential of industries in our beloved state," he said.

Jagdeep (centre) says the workforce must be ready to embrace industry evolution. Beside him are Chai Eng (left) and Vincent (right).

He said Jagdeep, as the Deputy Chief Minister of Penang, with a focus on human capital development and Science & Technology portfolio, these matters hold significant importance for him as they directly impact the future livelihoods of Penangites.

He stressed the necessity for both current and future workforce talents to be prepared to adapt to the evolving demands of the industry, particularly in the domains of Science and Technology.

Jagdeep emphasized that only through such readiness can the state uphold its status as the Silicon Valley of the East and remain the preferred hub for the 350 MNCs and 6,000 SMEs.

According to UWC Berhad executive director Ng Chai Eng, the company's journey began in 1990 as a small metal cutting and machining machine. It has evolved into a world-class contract manufacturer before ultimately transitioning into a world-class contract manufacturer.

"Over the past three decades, UWC has broadened its business scope, transforming into an integrated engineering service provider offering manufacturing services across diverse sectors, including semiconductors and life science equipment.

"UWC has a longstanding tradition of prioritising quality and innovation in its products, maintaining a dedicated focus on excellence, precision, and client satisfaction."

"With a robust workforce of 1,790 individuals spread across six plants (Penang HQ, Perak, Johor, and Thailand), UWC is advancing into the front-end semiconductor, 5G, EV, and AV industries," Ng said.

The company provides a wide range of comprehensive solutions, including CNC machining, sheet metal fabrication, welding, assembly, and finishing, catering to global industrial clients.

UWC Berhad has recently commenced mass production of one EV battery tester model, with two more expected to be launched in the second half of 2024.

Among those present during Jagdeep's visit were Lau Chee Kheng, executive director cum chief operating officer; Matin Ng Chin Liang, deputy chief executive officer; Ng Sze Yen, UWC Berhad general manager; and J. Phillip Vincent, PSDC council member.



Guang Ming

23 April 2024

參觀檳廠房內部學術中心 佳日星讚UWC育才有功



(檳城23日訊) UWC公司 (UWC, 5292, 主板科技股) 獲得政府認可的工廠內部學術中心，首批46名雙軌課程技術員經於去年6月結業，自成立至今已有近200名學員受惠。

首批46雙軌課程學員結業

檳州第二副首席部長佳日星今日蒞臨UWC峇都交灣廠房，受到UWC執行董事長兼集團總執行長拿督黃才榮、執行董事劉繼福、集團副執行長黃振亮博士和總經理黃詩雁等高層人員的熱烈歡迎。

佳日星聆聽匯報時，得知UWC設立的內部學術中心在培育製造業技術人才所作出的貢獻給予大力讚揚。

UWC接受來自B40家庭為主的中學生來參與他們的兩年雙軌課程。學員須在UWC工廠一邊實習，一邊上課，在兩年課程期間可獲1500令吉基薪，另有幾百令吉津貼。

他們提供技術人員文憑、技術人員高級文憑和本科學士課程。本地大學與UWC已締結了學術合作。結業者繼續留在工廠工作，可獲3000至5000令吉薪金。

UWC特別聘請在職和退休的專業人士充當有關課程的導師。

佳日星說，UWC成立於1990年，最初是一家銷售電線切割機的貿易公司，後來成為電梯製造商，最後發展成為世界一流的合約製造商，在過去30年業務活動多元化，目前成為一家提供從半導體到生命科學設備等製造業服務的綜合工程服務提供者。

“該公司的策略目標是向全球高要求的產業客戶提供高品質精密數控加工、鍍金製造、認證焊接、零件高級組裝和精密加工、自動化組件和組裝的一站式解決方案。”

擴1790強大人力隊伍

他說，UWC在確保產品品質和創新方面擁有多悠久的傳統，注重品質、精密度和客戶滿意度，憑藉其設於檳城、霹靂、柔佛、新加坡和泰國的6座廠房，擁有1,790名員工的強大人力隊伍，集團正在向前端半導體、5G、電動車和視頻行業進進。

“UWC於2021年完成萬級無塵室建設，並於2023年完成百級無塵室建設，以滿足前端半導體製造業務的需求。它涉足前端半導體工程相關業務，並將在未來幾年致力於其他潛在的專案服務。”

“目前，該集團生產5G網路測試設備、電腦晶片測試儀、電動汽車電池測試儀、前端半導體和生命科學設備。”該集團最近開始量產其中一款電動汽車電池測試儀型號，預計另兩款將於2024年年下半屆實現。

他說，值得注意的是，UWC多年來如何在不同領域實現其發展，並讓勞動力與其一起成長，這就是人們對檳城的未來，尤其是孩子的未來的期望。

“我們可以實現多元化，進一步發展到不同領域，並提升身為檳城副首長，特別是掌管人力資本發展和科技服務的我。這些事情對我來說意義重大，因為它關係到檳城人民未來的生計。”

就科學技術而言，我們未來和現有的勞動力人才必須做好準備迎接產業的新需求。”

佳日星：UWC敗於改革

他說，UWC在其發展過程中敗於擁抱變革，並成為今天的成功典範，繼續努力發展，因為檳城政府將確保人才管道中有足夠的數量來滿足製造業的人才需求。

“這就是檳城的發展方向，每個人都將受益於我們心愛的檳城巨大的工業成長潛力。”

e nanyang

24 September 2024

UWC 末季賺206萬



财经新闻

UWC 末季賺206萬

2024年09月24日

(吉隆坡24日讯) 受到營收增長推動，UWC公司 (UWC, 5292, 主板科技股) 2024財年末季淨賺206萬令吉，同比增長6.08%。

公司向馬交所報备，截至7月杪的當季營收大漲了90.43%，錄得76111萬令吉。

對此，UWC公司說明，當季營收改善，主要是半導體市場的強勁复苏，以及新購子公司的收入貢獻，儘管被更高的原料與消耗、員工成本和營運開銷所部分抵消。

全年而論，公司淨利同比下跌72.30%至1523萬8000令吉，營收累計達2億4869萬4000令吉，下滑8.48%。

展望未來，公司對接下來幾年的業務和該行業保持樂觀展望，并觀察到复苏的跡象。

UWC公司透露，近來不斷收到有關前端半導體、生命科學和5G測試設備相關供應的詢問。

為滿足現有核心業務，以及新的前端半導體工程業務和電動汽車項目的需求，公司正在進行產能擴展。

公司預計，未來幾年投入大筆資金用于資本支出和新建設項目，計劃于12月完成位于峇都加湾工業園的新設施第二階段。

UWC

5 December 2023

MOU AIGIF 2023



UWC Group of Companies

5 Dec 2023 · 0

WE attended the ASEAN-India Grassroots Innovation Forum (AIGIF) at the Langkawi International Convention Center, witnessing the exchange of a Memorandum of Understanding (MOU) between YAYASAN, Bioeconomy Corporation and UWC Berhad.



This event marks the establishment of a collaborative partnership with MOSTI as strategic industry allies to foster talents develop on Science, Technology and Innovation

This impactful initiative was inaugurated by the Minister of Science, Technology and Innovation (MOSTI) Tuan Chang Lih Kang through the National Employment Council (NEC).



UWC

20 November 2024

UWC takes home win at Manufacturing Asia Awards 2024 for extensive manufacturing capabilities



It has revolutionised its entire production process by successfully launching a fully automated manufacturing system.

Integrated engineering service provider UWC brought home the win in the Malaysia Manufacturing Innovation of the Year - Machinery category at the coveted Manufacturing Asia Awards 2024 for its dedication to fulfilling client needs, from supplying precision piece parts to delivering complete turnkey assemblies.

Delivering comprehensive, one-stop solutions for leading-edge technology companies and industry market leaders like semiconductor, life science, and medical technology industries, the company highlights a comprehensive suite of services from precision fabrication and assembly to testing and commissioning, also provides sub-assembly integration, system integration, and assists clients with testing and validation processes. Such an integration reduces time to market and boosts productivity.

Moreover, UWC incorporates cutting-edge technology in precision engineering and system integration to meet the unique demands of its diverse clientele.

In recent years, the company has experienced rapid growth by capitalising on the rising demand in high-growth sectors. Its ability to offer end-to-end engineering solutions has solidified its market position, fostering long-term partnerships with global industry leaders. Strategic expansion into more complex manufacturing processes, particularly within the semiconductor space, has also enabled UWC to capture a larger market share.

As the industries of its clients grow, the company can readily adapt its services to meet increasing demand.

“Through our integrated services, technological advancements, and strategic market expansion, UWC has distinguished itself as a leader in the manufacturing sector. Our positioning in high-value supply chains, especially in front-end semiconductor manufacturing, will continue to drive our growth as we capitalise on this complex and high-barrier sector,” UWC said.

Manufacturing Asia Awards celebrates groundbreaking technologies, sustainable practices, and transformative contributions of game-changers in the heart of Asia's industrial landscape.

The Manufacturing Asia Awards is presented by Manufacturing Asia Magazine. To view the full list of winners, click here. If you want to join the 2025 awards programme and be acclaimed for your groundbreaking technologies, sustainable practices, and transformative contributions driving Asia's manufacturing prowess, please contact Jane Patiag at awards@charltonmediamail.com.

UWC

28 June 2024

YB Senator Visit



UWC Group of Companies

29 Jun · 0

We were deeply honored to host YB Senator Tengku Datuk Seri Utama Zafirul Tengku Abdul Aziz and several esteemed VIPs at UWC BERHAD today!



Their visit underscores the significance of our commitment to innovation, excellence, and sustainable growth in the industry. It was a privilege to share our latest advancements, discuss future opportunities, and receive invaluable insights from such distinguished leaders.

A big thank you to YB Senator Zafirul and all the VIPs for taking the time to visit us. We look forward to continuing our journey of excellence with your support and guidance!

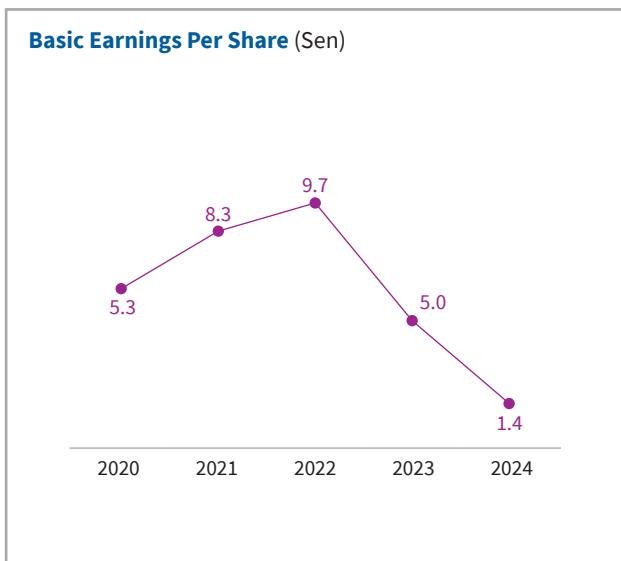
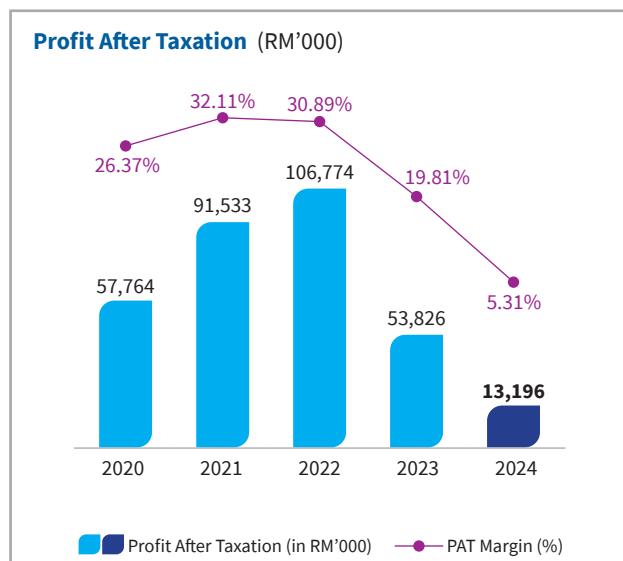
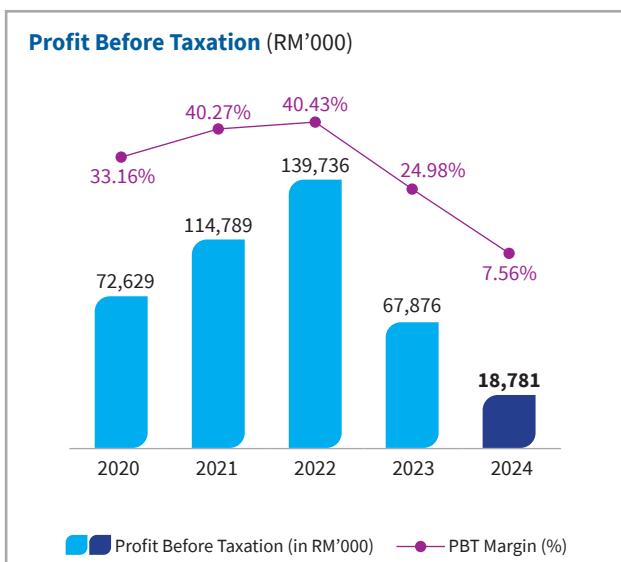
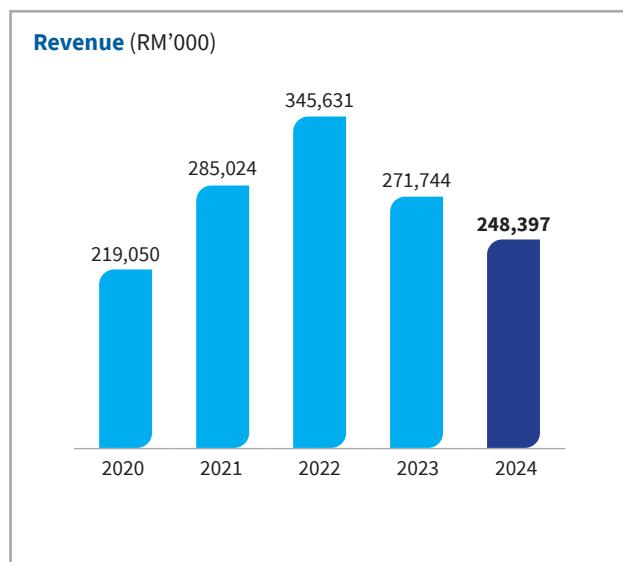


FINANCIAL HIGHLIGHTS

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Revenue (in RM'000)	219,050	285,024	345,631	271,744	248,397
Profit Before Taxation (in RM'000)	72,629	114,789	139,736	67,876	18,781
Profit After Taxation (in RM'000)	57,764	91,533	106,774	53,826	13,196
EBITDA (in RM'000)	81,266	125,840	154,069	82,342	35,192
Basic EPS (sen)	5.3 ⁽¹⁾	8.3	9.7	5.0	1.4
Diluted EPS (sen)	5.2 ⁽¹⁾	8.3	9.7	5.0	1.4
Shareholders' Equity (in RM'000)	223,277	304,782	397,521	422,241	453,053
Return on Equity	26%	30%	27%	13%	3%
Current ratio (times)	3.9	5.8	6.4	10.3	6.9
Gearing ratio	0.0	0.0	0.0	0.0	0.0

Notes:

(1) Based on weighted average number of ordinary shares outstanding which have been restated to reflect the increased number of shares arising from the bonus issue during year 2020 and 2021.



CHAIRMAN'S STATEMENT



DATO' WAN HASHIM BIN WAN JUSOH
Independent Non-Executive Chairman



UWC Berhad ("UWC" or the "Group") remains optimistic about its future, underpinned by its strategic resilience. The Group's involvement in the front-end semiconductor ecosystem will serve as catalyst for its growth, as global demand for semiconductors continues to rise. UWC is confident in the projected recovery in 2025, particularly in the semiconductor and life sciences industries. By focusing on expanding its manufacturing infrastructure and enhancing its talent pool, UWC is well-prepared to meet rising demand and seize future growth opportunities.

Dear valued shareholders,

It is my pleasure, on behalf of the Board of Directors of UWC, to present you with UWC's sixth annual report and audited financial statements for the financial year ended 31 July 2024 ("FYE 2024").

FYE 2024 posed significant challenges, with various external factors affecting the global economic and business environment. However, despite these uncertainties, UWC has continued to receive increasing orders from its clients, particularly the semiconductor sector, which reinforces the optimism of the recovery of the industry.

We remain confident in our ability to capitalise on the projected market recovery, particularly in the semiconductor and life sciences sectors, as we prepare for stronger growth in the coming years.

FINANCIAL PERFORMANCE

Amid challenging market conditions, UWC delivered a steady financial performance for FYE 2024, recording a revenue of RM248.4 million. Our profit after tax was RM13.2 million, impacted by slower semiconductor demand in the earlier part of the year. Despite this, we remain financially robust, with cash and cash equivalents of RM80.7 million and zero gearing.

The semiconductor sector continues to be our main revenue driver, with promising signs of recovery towards the second half of the financial year. The life science and medical technology segment remains a stable contributor to our revenue. Our strong financial foundation, supported by a healthy balance sheet, positions us well to navigate economic uncertainties while capitalising on future growth opportunities.



CHAIRMAN'S STATEMENT [CONT'D]

ECONOMIC OUTLOOK AND INDUSTRY PROSPECTS

Malaysia's economy is projected to remain robust, with real GDP growth forecasts of 5.4% in 2024 and 5.0% for 2025, driven by strong domestic demand and exports, particularly in the electrical and electronics products. Malaysia's neutral stance between US and China has also attracted a significant influx of foreign investment, creating new opportunities for local manufacturers like UWC to capture a greater share of the global market.

Penang, a key hub for semiconductor manufacturing, has attracted over USD13 billion in foreign direct investment in recent years, highlighting Malaysia's growing importance in global supply chains. This surge in investment provides a favourable backdrop for UWC's expansion, as we continue to align with the nation's strategic positioning in the semiconductor ecosystem.

Looking ahead to 2025, the global semiconductor industry is expected to rebound significantly, with projected growth of 12.5% in 2025 driven by memory and logic sectors. This outlook positions UWC to benefit from the recovering market.

MOVING FORWARD

As we look ahead to 2025, UWC is strategically positioned for growth, with a clear focus on the anticipated recovery. Our priority remains on strengthening our capabilities to meet future demands. Key initiatives include expanding our talent pool to ensure we can effectively support both new and existing clients, while making investments to enhance our manufacturing capacity, machinery, and infrastructure. This is particularly crucial in the front-end semiconductor segment, which continues to be a major driver of growth for the Group.

In line with our vision for digital transformation, 2024 saw further progress in our journey with the implementation of advanced systems such as IoT OEE Monitoring. In an industry defined by rapid technological evolution, software plays a vital role in maintaining our competitive edge. Upgrading essential tools like Shop Viewer and Quality Data Analysis Software has become critical as we expand our client base and take on more complex projects. These enhancements will enable us to meet our clients' evolving needs with greater precision and efficiency.

Further improvements, including the introduction of tool break detection and length measurement systems in our machines, have already enhanced production precision and boosted the overall efficiency of our operations. These advancements ensure that UWC is well-prepared to capitalise on new opportunities and meet the growing expectations of our clients.

Our back-end semiconductor business is also showing signs of steady recovery, with stable orders and increased production volumes. At the same time, the life sciences sector continues to provide a consistent revenue stream, reinforcing UWC's position across diverse markets. Together, these efforts will drive UWC's forward momentum as we navigate 2025 and beyond, strengthening our foundation for sustainable growth and long-term success.

BUILDING A SUSTAINABLE FUTURE

Sustainability remains a core focus for UWC. We continue to adopt best practices in environmental, social, and governance (ESG) initiatives that align with our business objectives. Our ongoing commitment to environmental sustainability includes the consideration of new green-technologies machinery investment such as energy saving and hydraulically driven machines to conserve energy and resources across our operations, as well as the use of Lithium Battery Electric Forklift to reduce our carbon footprint.

Our shareholders can gain deeper insights into our sustainability efforts through the Sustainability Report included in this report. We believe that fostering a sustainable business will create long-term value for our stakeholders and the communities we serve.

APPRECIATION

Before I conclude, I would like to express my sincere appreciation to the Board of Directors, management, and staff of UWC for their dedication and hard work during this challenging year. Your commitment to our shared goals has been crucial in navigating the challenges we faced.

I also extend my heartfelt thanks to our customers for their continued trust and loyalty. We look forward to supporting your evolving needs and strengthening our partnership. My gratitude also goes to our suppliers, business partners, bankers, and regulatory authorities for their ongoing support.

Finally, to our esteemed shareholders, thank you for your confidence in UWC's vision and strategy. Your belief in us continues to inspire our pursuit of sustainable growth.

Yours faithfully,

DATO' WAN HASHIM BIN WAN JUSOH

Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS



REVIEW OF 2024

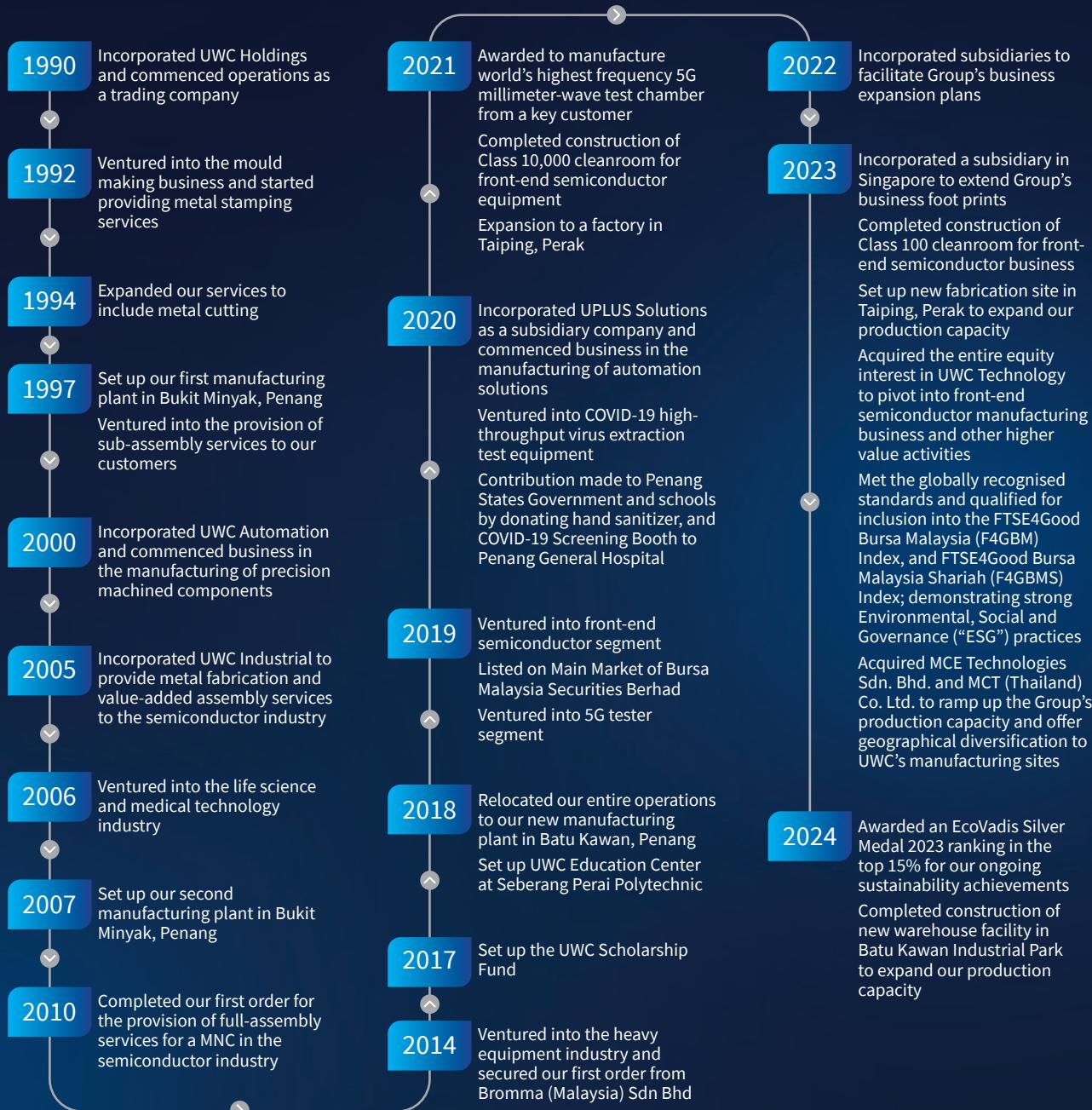
The financial year ended 31 July 2024 ("FYE 2024") proved to be a challenging year for the global economy, as we faced an increasingly complex landscape. The semiconductor market's recovery was slower than anticipated, further impacted by ongoing global economic uncertainties. Demand for electronic components remained weak, driven by supply chain disruptions and shifting consumer behaviour, which affected the overall demand for technological devices. As a result, UWC experienced a decline in both its revenue and earnings during FYE 2024.

Despite these external challenges, the semiconductor segment remained the Group's largest revenue contributor. Encouragingly, the segment is showing signs of recovery, supported by increasing orders from both front-end and back-end customers. This rebound has been fuelled by the growing demand driven by the artificial intelligence ("AI") boom and the electrification of industries.

UWC remained focused on its long-term growth initiatives. The Group strategically invested in enhancing technological capabilities, streamlining product development, and expanding human capital to meet evolving market demands. Moving forward, UWC remains committed to pushing boundaries and fostering close collaboration with its clients and stakeholders, ensuring that the Group remains a trusted technology partner.

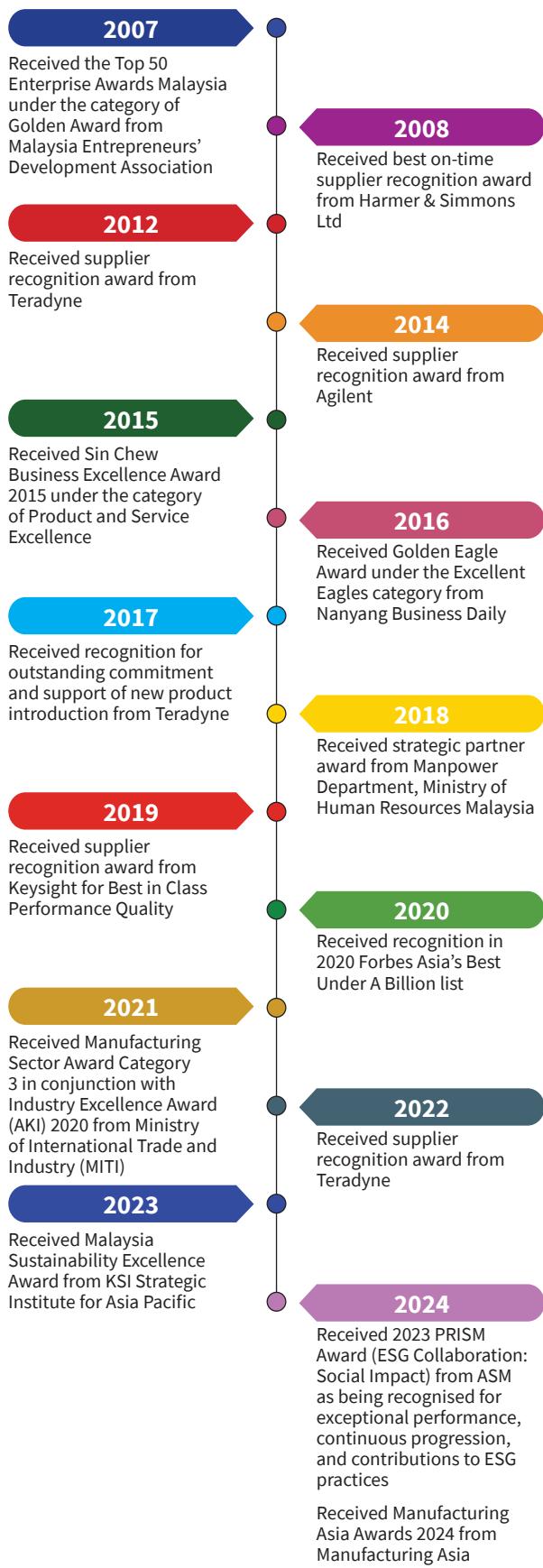
UWC has recently been honoured with the prestigious Manufacturing Asia Award 2024. This award acknowledged outstanding companies that are revolutionizing the manufacturing and exporting sectors by implementing cutting-edge technologies, sustainable practices, and remarkable contributions that promote efficiency and excellence within Asia's industrial landscape. Outshining competition across 14 countries in Asia, UWC is beyond proud to celebrate this monumental key milestone and continue the journey of excellence for its exceptional innovation, commitment to quality and efficiency in production processes.

KEY MILESTONES



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

KEY AWARDS



BUSINESS OVERVIEW

UWC is an integrated engineering service provider, offering one-stop solutions to companies across the semiconductor, life sciences, and medical technology industries. With our extensive capabilities and comprehensive range of services, we support our clients' evolving needs, from the supply of individual piece parts to the delivery of full turnkey assemblies.

Our core manufacturing services include advanced metal fabrication processes such as cutting, forming, and joining, which enable us to produce high-precision intermediate metal products. Beyond traditional fabrication, UWC offers value-added assembly services, sub-assembly integration, and system integration services, ensuring seamless delivery for our clients' complex projects. Additionally, we assist clients with comprehensive testing and validation processes, further enhancing the reliability and quality of our solutions.

Leveraging on its expertise and technological advancements, UWC continues to strengthen its position within the high-value front-end semiconductor supply chain, particularly in areas characterized by high complexity and entry barriers. The growing demand for semiconductors, driven by innovations in AI, 5G, and electric vehicles ("EVs"), has opened new opportunities for UWC to expand its market share. Our focus on the front-end semiconductor supply chain remains a catalyst for our future growth.

FINANCIAL REVIEW

Despite facing multiple headwinds in FYE 2024, UWC maintained a profitable financial performance. The Group recorded revenue of RM248.4 million, with profit after tax amounting to RM13.2 million. The decline in financial performance was primarily due to the slower-than-expected recovery in the semiconductor industry. However, UWC's diversification into the life sciences sector helped mitigate the impact of the downturn, providing a steady revenue stream and stability to the Group during this challenging period.

The semiconductor segment remains as the Group's largest revenue contributor, followed by the life sciences segment. Recently, the semiconductor sector has shown encouraging signs of recovery, with an uptick in orders from our clients. This positive momentum is expected to continue in the coming years, supporting sustained growth. Meanwhile, the life sciences segment is expected to remain strong, driven by the emergence of innovative technologies amidst the increasing prevalence of chronic diseases, which continue to fuel demand in this sector.

In FYE 2024, the Group recorded basic and diluted earnings per share of 1.4 sen each, with a return on equity of 3%. Despite the challenging environment, UWC maintained a strong financial position as of 31 July 2024, with cash and cash equivalents totalling RM80.7 million and marketable securities valued at RM18.9 million. Additionally, we are in a net cash position with zero gearing ratio, reflecting a solid financial foundation. This healthy cash position ensures that UWC is well-positioned to confidently pursue its growth strategy, capitalising on the anticipated recovery of the semiconductor market, and meet the sustained demand in the life sciences sector.

For the fourth quarter of FYE2024, UWC experienced a foreign exchange loss which amounted to RM4.7 million. This was due to the strengthening of the Ringgit Malaysia against United States dollar ("USD") in July 2024. To mitigate the impact of fluctuation of foreign exchange rate on export sales, USD foreign currency accounts are maintained to serve as natural hedging tools for receipt and payment in the said currency.

MANAGEMENT DISCUSSION & ANALYSIS [CONT'D]

REVIEW OF OPERATING ACTIVITIES

Technology

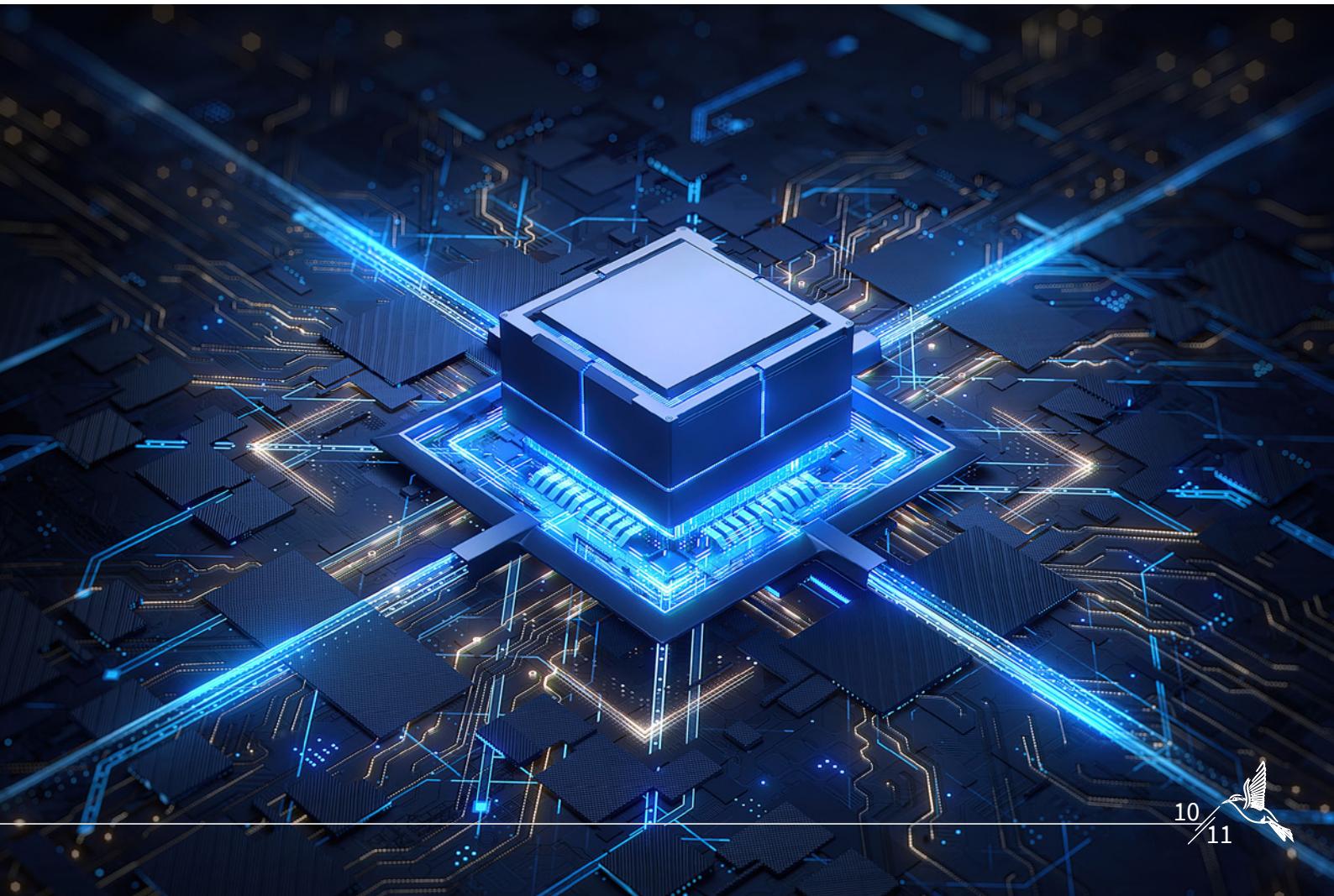
In FYE 2024, UWC continued to advance its technological capabilities, focusing on integrating innovative systems to enhance both operational efficiency and competitiveness. Central to these efforts was our commitment to digitalisation and automation, which enables us to consistently deliver high-quality solutions across our business segments. Collaborative efforts with key clients on New Product Introduction ("NPI") projects were instrumental in driving these technological advancements, reinforcing our approach to growing alongside our clients and strengthening our partnership for mutual success.

A significant achievement was the implementation of IoT OEE Monitoring, which provided real-time insights into production performance. This digital system allowed us to optimize machine utilization and reduce downtime, enhancing overall production efficiency. Complementing this, the upgrades to our Shop Viewer and Quality Data Analysis Software provided greater control over production lines, improving both resource forecasting and quality management. These advancements align with Industry 4.0 principles, solidifying UWC's position as a leader in technology-driven engineering solutions. Additionally, continual improvement activities in the product development department included the introduction of the Design for Manufacturing (DFM) portal and the purging system. These enhancements improved product quality and operational efficiency by improving cross-departmental communication and expediting design updates.

Automation remained at the forefront of our strategy. We introduced tool break detection and length measurement systems, which significantly improved precision in our manufacturing processes. These technologies reduced manual intervention, ensuring consistent high-quality output and reducing the risk of defects. This investment in automation not only enhanced our production accuracy but also strengthened UWC's competitive positioning in the highly demanding semiconductor and life sciences industries.

In response to the increasing complexity of the semiconductor market, UWC expanded its capabilities in high-precision manufacturing. This included the expansion of Class 100 cleanroom facilities, allowing us to meet the strict purity and cleanliness standards required for advanced semiconductor manufacturing. The cleanroom expansion is critical in supporting high-purity weldments and precision components, which are key to our semiconductor clients' success.

Through these technological advancements and our commitment to innovation, UWC remains well-positioned to meet the evolving needs of its clients, driving long-term sustainable growth across all sectors.

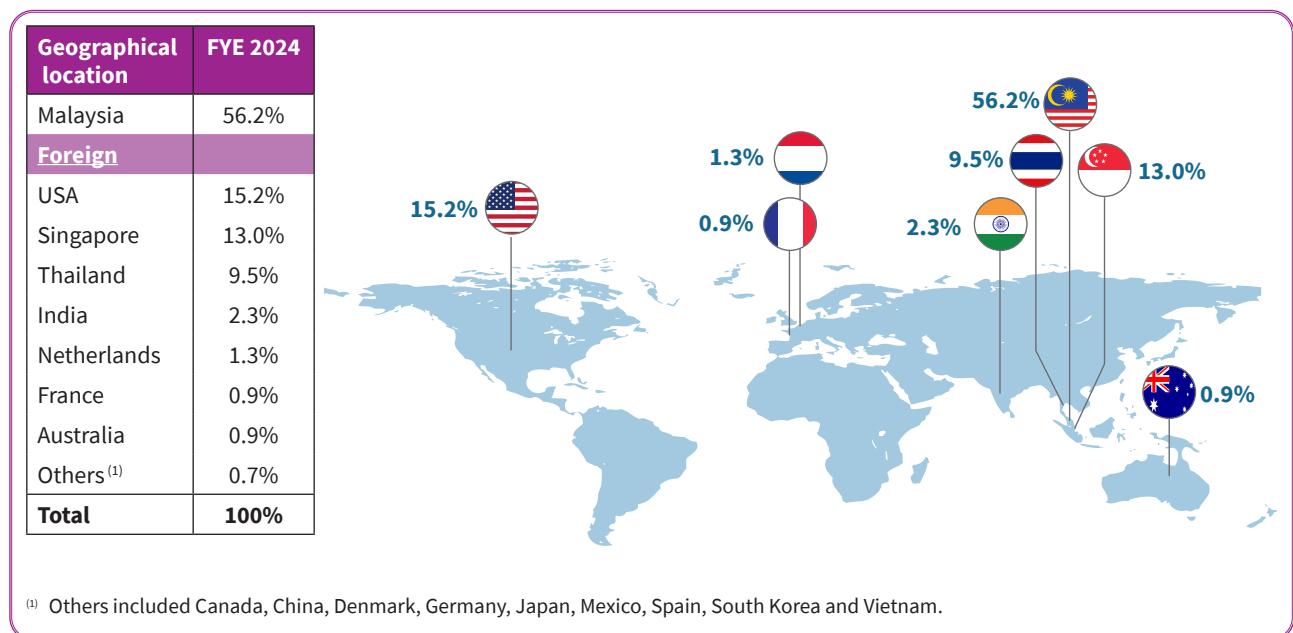


MANAGEMENT DISCUSSION & ANALYSIS [CONT'D]

SALES AND MARKETING

In FYE 2024, UWC demonstrated continued resilience and adaptability in a challenging market environment, achieving a total revenue of RM248.4 million. The semiconductor segment remained a crucial pillar of UWC's revenue, having contributed 47.7% of FYE 2024 revenue. This highlights UWC's consistent presence and competitive edge in the semiconductor industry, even in the face of global economic uncertainties. The life science and medical technology sectors also played a significant role, having accounted for 27.8% of the Group's revenue. The remaining 24.5% was derived from other various key business activities that UWC actively engages in.

Our geographical revenue distribution highlights our strategic expansion initiatives. Malaysia continued to be the largest revenue contributor, contributed 56.2% of the Group's total revenue. The United States ("USA"), a critical international market for UWC, contributed 15.2%, reflecting our growing global footprint. Other notable contributors were Singapore, Thailand, India, and the Netherlands, with 13.0%, 9.5%, 2.3%, and 1.3% respectively. Moreover, markets such as France and Australia further diversified our revenue streams, reinforcing a balanced global presence for UWC.



At UWC, building and maintaining strong relationships with its customers is central to its strategy. We prioritise rapid response times and regular engagements through periodic visits, which foster deep trust and long-term partnerships. This approach ensures that customers continue to entrust us with higher-value projects and product knowledge, further enhancing our business pipeline.

Looking ahead, the semiconductor market in Malaysia is expected to experience robust growth, bolstered by increasing global demand and the initiatives set forth in Budget 2025. The government's focus on high-value activities in the electrical and electronics sector, strengthens Malaysia's position in the global semiconductor supply chain. With our continued investment in front-end semiconductor manufacturing, we are well-placed to seize these opportunities.

MANAGEMENT DISCUSSION & ANALYSIS [CONT'D]

CHALLENGES AND STRATEGY

Constantly identify and deploy latest technologies

UWC remains committed to adopt advanced technologies to stay competitive in the rapidly evolving technology landscape. In 2024, we have placed a stronger emphasis on automation and digitalisation, integrating Industry 4.0 principles deeper into our operations. A key initiative was the deployment of IoT OEE Monitoring and real-time production tracking, which significantly boosted machine uptime, and enhanced production efficiency. These upgrades streamlined our operations, leading to more efficient resource management and optimised productivity.

Additionally, our product development department introduced several tools, including the Engineering Change Request (ECR) system and the Supplier Development & Management system. These systems improved communication and decision-making processes, allowing for faster response times and better coordination with suppliers.

Recognising that technology is the backbone of our success, we continue to invest in technological advancement to meet market needs. We also partnered closely with key clients to develop cutting-edge automotive and energy testing solutions, aligning with the latest technological advancements and positioning ourselves to seize growth opportunities in the dynamic semiconductor and life sciences markets.

Customer Performance

In FYE 2024, the semiconductor segment faced challenges due to weaker global demand. Despite these conditions, the market showed encouraging signs of recovery, with increasing customer orders reflecting a positive outlook. We are optimistic that our investments in front-end semiconductor projects will start to yield positive results, positioning UWC well for long-term growth by meeting rigorous industry standards in this highly competitive space. The back-end semiconductor business also showed signs of recovery, especially in system-level and performance testers. UWC's collaboration with customers in both front-end and back-end segments enabled us to secure long-term business relationship and ensure readiness for the anticipated sector rebound.

In addition to semiconductors, UWC's life sciences segment continued to provide steady revenue, benefiting from growing global health awareness and rising demand for medical devices. Our involvement in the development of cutting-edge medical instruments allows us to further diversify the revenue streams and reduce dependency on the cyclical semiconductor market.

Geographically, UWC maintained a strong presence in Malaysia, which remained as its primary revenue base. We also expanded into regional markets such as Singapore and continued to grow in the United States and Europe. This international presence enables UWC to adapt to varying market conditions while tapping into emerging opportunities across multiple sectors.

Human Capital

At UWC, we believe our skilled workforce is fundamental to sustaining long-term growth. In 2024, we made strategic investments in talent via expanding our engineering team, with a focus on recruiting specialists in mechatronics, control systems, and system integration. This expansion, combined with targeted training programmes, equips UWC to handle the growing demands of semiconductor and life sciences projects and ensures its readiness to support the clients' complex requirements.

UWC remained committed to upskilling its workforce, implementing specialised training programmes aimed at enhancing the team's technical expertise to meet the demands of increasingly complex projects. To further foster corporate loyalty and recognise excellence, we granted approximately 56,800 shares under the Share Grant Scheme in FYE 2024. This initiative rewards key employees for their contributions, motivating them to maintain high performance and aligning their interests with the Group's long-term goals. Through these efforts, we continue to build a motivated and capable team, driving UWC's sustainable growth and success.

In line with our vision to nurture talent, UWC continues to operate as a pioneer in Malaysia's National Dual Training System ("SLDN"). This programme offers a blend of practical training and theoretical education, equipping participants with critical competencies across technical, social, and humanitarian domains. In 2024, the SLDN programme helped to develop a new generation of skilled workers, ready to contribute to UWC's growth while strengthening its succession planning for key functions.

Looking ahead, UWC remains committed to leveraging both automation and human talent to meet the evolving demands of the industries. While automation has allowed us to ramp up production efficiency, our skilled workforce continues to be a driving force behind our operational success, ensuring we are well-prepared to navigate the challenges and opportunities of 2025 and beyond.

MANAGEMENT DISCUSSION & ANALYSIS [CONT'D]

FORWARD-LOOKING STATEMENT

UWC remains optimistic about the future, supported by promising recovery signs in the semiconductor industry and robust demand from the life sciences industry. Our commitment to excellence and sustainable growth is unwavering as we navigate the evolving landscape of these sectors.

Based on the latest forecast by World Semiconductor Trade Statistics, the semiconductor market is projected to grow by 12.5% in 2025, to USD687 million. This growth is expected to be driven by advancements in memory technologies and artificial intelligence applications. Furthermore, Penang's role as a key hub for foreign direct investment (FDI) in the semiconductor sector continues to attract major global players, creating an ideal environment for UWC to capitalise on growth opportunities within the global semiconductor value chain.

UWC's back-end semiconductor business is showing signs of steady recovery, with increasing orders and higher production volumes. The Group's expansion into the front-end semiconductor segment continues to be a key growth driver, aligning UWC with the industry's rising demand for advanced semiconductor solutions across the industry. By enhancing our front-end capabilities, we are positioned to capture higher market share in high-complexity sectors. This strategic investment enables UWC to better serve global technology leaders, supporting their needs to meet the demands of emerging technologies.

Furthermore, the life sciences segment is expected to remain a steady revenue stream for UWC, with demand remaining resilient amidst broader market fluctuations. The global medical devices market is expected to grow at a compound annual growth rate (CAGR) of 6.2% from 2023 till 2031. Our capabilities in precision engineering and high-quality manufacturing align well with the stringent demand of life sciences, enabling us to support key players in medical technology and diagnostics. This steady demand from life sciences not only diversifies our portfolio but also strengthens UWC's positioning as a multi-industry engineering solutions provider, contributing to long-term stability and growth.

CONCLUSION

Despite ongoing volatility in the market due to various uncertainties impacting the global economy, UWC remains confident that, with the right corporate strategies and robust expansion plans, it will continue to deliver outstanding performance for the shareholders. Our history of resilience in the face of challenges reinforces our belief in emerging stronger after each hurdle.

We would like to express our sincere appreciation to our customers, suppliers, partners, and shareholders for their unwavering support, as well as to our Board of Directors for their invaluable leadership and guidance throughout the past year. Lastly, we extend our gratitude to our dedicated staff and management team at UWC for their relentless efforts and commitment to our success. Together, we look forward to a promising future filled with opportunities for growth and innovation.

Dato' Ng Chai Eng

Executive Director/Group CEO

BOARD OF DIRECTORS



From left to right:

1. **Dato' F'ng Meow Cheng**
Independent Non-Executive Director
2. **Dato' Lau Chee Kheong**
Executive Director/Group COO
3. **Dato' Wan Hashim Bin Wan Jusoh**
Independent Non-Executive Chairman
4. **Dato' Ng Chai Eng**
Executive Director/Group CEO
5. **Dr. Ng Chin Liang**
Alternate Director to Dato' Ng Chai Eng/Deputy Group CEO
6. **Dato' Lio Chee Yeong**
Independent Non-Executive Director
7. **Jariyah Binti Hashim**
*Independent Non-Executive Director
(Appointed on 2 May 2024)*

PROFILE OF DIRECTORS



DATO' WAN HASHIM BIN WAN JUSOH

Independent Non-Executive Chairman

AGE	GENDER	NATIONALITY
67	Male	Malaysian



Qualification

1. Bachelor of Science in Resource Economics, Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia)

Date first appointed to the Board

7 November 2018

Membership of Board Committee

None

Working Experience and Occupation

1. Assistant Director, MIDA Kuala Lumpur (1981 – 1991)
2. Deputy Director, MIDA Los Angeles, USA (1991 – 1995)
3. Director, MIDA Kuala Lumpur (1996 – 2003)
4. Director, MIDA Boston, USA (2003 – 2006)
5. Director, MIDA New York, USA (2007 – 2008)
6. Director of Foreign Direct Investment Promotion, MIDA Kuala Lumpur (2009 – 2011)
7. Senior Director, MIDA Kuala Lumpur (2011 – 2012)
8. Executive Director, MIDA Kuala Lumpur (2012 – 2014)
9. Senior Executive Director, MIDA Kuala Lumpur (2014 – 2017)

Present Appointment

1. Independent Non-Executive Director of Nuenergy Holdings Berhad (formerly known as ILB Group Berhad)
2. Independent Non-Executive Director of AYS Ventures Berhad

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Number of board meetings attended in the financial year

5/5

PROFILE OF DIRECTORS (CONT'D)



DATO' NG CHAI ENG

Executive Director/Group Chief Executive Officer

AGE	GENDER	NATIONALITY
61	Male	Malaysian

Qualification

1. Malaysian Skills Certificate Level 1 (formerly known as Sijil Kecekapan Ketukangan Peringkat Asas)
2. Malaysian Skills Certificate Level 2 (formerly known as Sijil Kecekapan Ketukangan Peringkat Pertengahan)
3. Certificate in Administrative Management, Centre for Business Studies (London)
4. Certificate in Production and Quality Control Management, Centre for Business Studies (London)

Date first appointed to the Board

29 March 2018

Membership of Board Committee

None

Working Experience and Occupation

1. Apprentice electrician, Mattel (Malaysia) Sdn. Bhd. (1982 – 1983)
2. Senior Technician, Leader Electrical Appliances Manufacturing Sdn. Bhd. (now known as GUH Electrical Appliances Sdn. Bhd.) (1985 – 1990)
3. Plant Manager, Leader Electrical Appliances Manufacturing Sdn. Bhd. (now known as GUH Electrical Appliances Sdn. Bhd.) (1990)

Present Appointment

1. Advisor of the Federation of Malaysian Foundry and Engineering Industries Associations (FOMFEIA)
2. Member of Machinery and Equipment Investment Advisory Panel of MIDA
3. Chairman in Sekolah Jenis Kebangsaan (C) Beng Teik (Pusat)
4. Director of UMedic Group Berhad
5. Director of all subsidiaries of UWC Berhad
6. Director of several private limited companies

Any family relationship with any director and/or major shareholder of UWC

He is the father of Dr. Ng Chin Liang, his Alternate Director

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Number of board meetings attended in the financial year

5/5



PROFILE OF DIRECTORS (CONT'D)



DATO' LAU CHEE KHEONG
Executive Director/Group Chief Operations Officer

AGE	GENDER	NATIONALITY
61	Male	Malaysian



Qualification

1. Sekolah Menengah Jenis Kebangsaan Hua Lian Taiping, Perak
2. Professional Diploma in Business Administration (Finance), Genovasi Centre for Higher Learning

Date first appointed to the Board

29 March 2018

4. Chairman of Construction Committee of SJK (C) Chiao Nan, Pulau Pinang
5. Advisor for Penang Foundry & Engineering Industries Association
6. Deputy Chairman of Int'l & Domestic Trade Fair of North Perak Chinese Chamber of Commerce and Industry
7. Honorary Chairman of Low Clan Association Penang
8. Director of all subsidiaries of UWC Berhad
9. Director of several private limited companies

Membership of Board Committee

None

Any family relationship with any director and/or major shareholder of UWC

None

Working Experience and Occupation

1. Technical Supervisor, Tekskill Component Sdn. Bhd. (1980 – 1984)
2. Supervisor, Toriki Metal Engineering Sdn. Bhd. (1984 – 1986)
3. Assistant Factory Manager, Leader Electrical Appliances Manufacturing Sdn. Bhd. (now known as GUH Electrical Appliances Sdn. Bhd.) (1986 – 1991)

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Present Appointment

1. Vice President of Persatuan Alumni Sekolah Hua Lian Taiping Zon Utara Malaysia
2. Vice President of Lembaga Jemaah Pengurus Sekolah SJK (C) Chiao Nan, Pulau Pinang
3. Committee Member of Persatuan Kebajikan 88 Kapten Pulau Pinang

Number of board meetings attended in the financial year

5/5

PROFILE OF DIRECTORS (CONT'D)



DATO' F'NG MEOW CHENG
Independent Non-Executive Director

AGE | **GENDER** | **NATIONALITY**
58 | Female | Malaysian



Qualification

1. Bachelor of Science in Business Administration, University of Southwestern Louisiana, USA
2. Master of Management, Australian Institute of Business, Australia
3. Member of Malaysian Institute of Certified Public Accountants
4. Member of Malaysian Institute of Accountants

Date first appointed to the Board

7 November 2018

Membership of Board Committee

1. Audit Committee (Chairman)
2. Risk Management Committee (Member)
3. Nomination Committee (Member)
4. Remuneration Committee (Member)

Working Experience and Occupation

1. System Planner, Sony Electronics (M) Sdn. Bhd. (1991 – 1992)
2. Auditor, Russ Ooi & Associates (1992 – 1996)
3. Manager, H. B. Ooi & Co (1996 – 1998)
4. Manager, K. B. Tan & Co (1998 – 2002)
5. Partner, MC F'ng & Associates (2002 – Present)

Present Appointment

1. Director of several private limited companies
2. Independent Non-Executive Director of Aurelius Technologies Berhad
3. Independent Non-Executive Director of SNS Network Technology Berhad

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Number of board meetings attended in the financial year

5/5

PROFILE OF DIRECTORS (CONT'D)



DATO' LIO CHEE YEONG
Independent Non-Executive Director

AGE 54 | **GENDER** Male | **NATIONALITY** Malaysian |



Qualification

1. Bachelor of Laws, University of London
2. Barrister-at-Law of the Middle Temple, London
3. Registered mediator of the Malaysian Mediation Centre
4. Member of the Malaysian Institute of Arbitrators
5. Notary Public

Date first appointed to the Board

7 November 2018

Membership of Board Committee

1. Audit Committee (Member)
2. Risk Management Committee (Member)
3. Nomination Committee (Chairman)
4. Remuneration Committee (Chairman)

Working Experience and Occupation

1. Managing Partner, Messrs Lio & Partners (1999 – Present)

Present Appointment

1. Honorary Consul of Denmark (Penang, Perlis and Kedah)
2. Honorary Consul of Norway (Penang, Perlis and Kedah)

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Number of board meetings attended in the financial year

5/5

PROFILE OF DIRECTORS (CONT'D)



JARIYAH BINTI HASHIM
Independent Non-Executive Director

AGE 62 | **GENDER** Female | **NATIONALITY** Malaysian |



Qualification

1. Bachelor of Science (Chemistry), Western Illinois University, Macomb
2. Master of Science (Chemistry), Western Illinois University, Macomb
3. Honorary Master of Economics, Universiti Malaysia Perlis
4. Train-The-Trainer (TTT) Certified Trainer

Date first appointed to the Board

2 May 2024

Membership of Board Committee

1. Audit Committee (Member)
2. Risk Management Committee (Chairman)
3. Nomination Committee (Member)
4. Remuneration Committee (Member)

Working Experience and Occupation

1. Engineer, Process Engineering, Advanced Micro Devices ("AMD") (1986 – 1991)
2. Manager, Process Engineering, AMD (1991 – 1994)
3. Director of Quality Engineering, Environment, Health & Safety ("EHS"), Facilities and Physical Distribution, AMD (1994 – 2001)
4. Director of Quality Engineering, EHS, Security, HR Business Partner and Total Continuous Process Improvement, AMD (2001 – 2010)

5. Vice President, Education and Human Capital Division, Northern Corridor Implementation Authority ("NCIA") (2010 – 2016)
6. Vice President, Manufacturing Division, NCIA (2016 – 2019)
7. Regional Head, Perak and Pulau Pinang, NCIA (2019 – 2022)

Present Appointment

1. Member of Kelab Pembangunan TVET and Usahawan Pulau Pinang

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Number of board meetings attended in the financial year

1/1

PROFILE OF DIRECTORS (CONT'D)



DR. NG CHIN LIANG

Alternate Director to Dato' Ng Chai Eng/
Deputy Group Chief Executive Officer

AGE	GENDER	NATIONALITY
31	Male	Malaysian

Qualification

1. Bachelor of Arts (First Class Honours) in Accounting and Finance, University of Exeter, UK
2. Master of Science (Distinction) in Accounting and Finance, University of Exeter, UK (Under Scholarship)
3. Fellow Member of the Association of Chartered Certified Accountants
4. Member of the Malaysian Institute of Accountants
5. Doctor of Business Administration, Wawasan Open University

Date first appointed to the Board

15 November 2019

Membership of Board Committee

None

Working Experience and Occupation

1. Audit Associate, Deloitte PLT, Penang (2015 – 2016)
2. Assistant Finance Manager, UWC Holdings Sdn. Bhd. (2016 – 2018)
3. Head of Corporate Affairs and Communications, UWC Berhad (2018 – 2019)

Present Appointment

1. Vice Chairman of Penang Skill and Development Centre
2. Member of Industry Advisory Committee, Politeknik Seberang Perai

3. Member of Institute-Industry Management Board, Institut Latihan Perindustrian Arumgam Pillai Nibong Tebal
4. Member of Technical Advisory Committee, Institut Teknikal Jepun Malaysia (JMTI)
5. Council Member of Federation Malaysia Manufacturer
6. Advisor of Junior Chamber International (JCI) Bayan
7. Director of Penang Science Cluster
8. Director of several private limited companies

Any family relationship with any director and/or major shareholder of UWC

He is the son of Dato' Ng Chai Eng, the Executive Director/ Group CEO and major shareholder of UWC

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Number of board meetings attended in the financial year

5/5

PROFILE OF DIRECTORS (CONT'D)

Training Programs attended by the Director

The following are the seminar, conference, webinar and sharing session attended by the Directors as at financial year ended 31 July 2024 ("FYE 2024").

Name of Directors	Mode of Training	Title
Dato' Wan Hashim Bin Wan Jusoh	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	ESG and Climate Change Affect the Solar Power Generation Industry
	Webinar	Anti-Corruption Training for Directors
	Webinar	Amendments on Conflict of Interest
	Webinar	Amendments on Sustainability Training for Directors
Dato' Ng Chai Eng	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	Trends and Forecast of Malaysia's E&E, and Semiconductor Industry with S&P Global Market Intelligence
	Webinar	GenAI Innovation through Design Thinking - "Towards Human Centered AI"
Dato' Lau Chee Kheong	Webinar	Trends and Forecast of Malaysia's E&E, and Semiconductor Industry with S&P Global Market Intelligence
	Webinar	GenAI Innovation through Design Thinking - "Towards Human Centered AI"
	Physical	National Seminar on Promoting National Unity and Nation Building Through Business and Entrepreneurship
	Physical	Malaysia SME National Conference
	Physical	2024 Global Economic and Strategic Outlook Forum
Dato' F'ng Meow Cheng	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
	Webinar	Violations of the Companies Act 2016: Oversight by Directors and Secretaries
	Webinar	MIA Blended Learning Series: Latest Development in Malaysian Financial Reporting Standards (MFRS) / IFRS and IC Interpretation - An Overview
	Webinar	The Beneficial Ownership Reporting Framework for Companies based on the Companies (Amendments) Act 2024
Dato' Lio Chee Yeong	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	ICDM PowerTalk: Climate Change & Carbon Footprint - Getting the Right Financial Risk & Reporting Perspectives
	Webinar	ICDM PowerTalk: Being Sued as an INED - A Personal Journey
	Physical	Malaysian Institute of Management (MIM): Finance for Non-Finance Manager
	Physical	Malaysian Institute of Management (MIM): Unlocking Tomorrow's Financial Horizons: Malaysian Budget 2024 Tax Proposals
Jariyah Binti Hashim	Physical	Mandatory Accreditation Programme Part I
	Webinar	How to Detect Financial Warnings in Companies
	Webinar	From Risk to Reward: The Science of Scaling Out in Trading
	Webinar	Revolutionizing Manufacturing: The Power of AI
	Webinar	Building Sustainable Futures: ESG Essentials for Public Listed Companies in Malaysia
Dr. Ng Chin Liang	Webinar	ESG Roundtable Webcast
	Webinar	Cleanroom Protocol Training
	Physical	Leadership Talk Series: "Are You Prepared for Failure"
	Internal	Reframing the Leadership Agenda for an Uncertain Future

PROFILE OF DIRECTORS (CONT'D)

Remuneration

The following are the remuneration breakdown of all directors as at FYE 2024.

Name of Directors	Salaries (RM'000)	Fees (RM'000)	Bonus (RM'000)	Employee Provident Fund and Social Security Organisation (RM'000)	Allowances (RM'000)	Share Grant Scheme Expense (RM'000)	Total (RM'000)
Dato' Ng Chai Eng	836	-	-	41	76	-	953
Dato' Lau Chee Kheong	836	-	-	35	76	-	947
Dato' Wan Hashim Bin Wan Jusoh	-	72	-	-	6	-	78
Dato' F'ng Meow Cheng	-	36	-	-	3	-	39
Dato' Lio Chee Yeong	-	36	-	-	3	-	39
Jariyah Binti Hashim	-	9	-	-	1	-	10
Dr. Ng Chin Liang	232	-	68	29	18	45	392

PROFILE OF KEY SENIOR MANAGEMENT

Ng Sze Yen

Deputy Group Chief Operations Officer

Age : 41
Gender : Female
Nationality : Malaysian

Qualification

1. Bachelor of Mechanical Engineering, Universiti Tun Hussein Onn
2. Certified Innovation Professional (CIP) at Global Innovation Management Institute
3. Certified Innovation Manager at Global Innovation Management Institute
4. Mini Master of Business Administration (MBA) at Universiti Sains Malaysia

Date first appointed to the Key Senior Management

1 May 2018

Working Experience and Occupation

1. Project Engineer, UWC Holdings Sdn. Bhd. (2006 – 2009)
2. Senior Engineer, UWC Holdings Sdn. Bhd. (2009 – 2010)
3. Assistant Business Development Manager, UWC Holdings Sdn. Bhd. (2010 – 2011)
4. Business Development Manager, UWC Holdings Sdn. Bhd. (2011 – 2018)
5. Head of Operation, UWC Berhad (2018 – 2020)
6. General Manager, UWC Berhad (2020 – 2024)
7. Deputy Group Chief Operations Officer (2024 – Present)

Present Appointment

None

Any family relationship with any director and/or major shareholder of UWC

1. Niece of Dato' Ng Chai Eng

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Tan Kean Hean

Head of Machining Division

Age : 59
Gender : Male
Nationality : Malaysian

Qualification

1. Apprentice Certificate, Lembaga Latihan Perindustrian dan Persijilan Ketukangan Kebangsaan Kementerian Buruh Malaysia

Date first appointed to the Key Senior Management

1 May 2018

Working Experience and Occupation

1. Technician, Loh Kim Teow Engineering Sdn. Bhd. (1986 – 1991)
2. Sales and Application Engineer, George Cohen (Malaysia) Sdn. Bhd. (1992 – 1997)
3. Director, Numeric Precision Engineering Sdn. Bhd. (1997 – 2000)
4. Head of Machining Division, UWC Berhad (2018 – Present)

Present Appointment

Director of UWC Automation Sdn. Bhd.

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None



PROFILE OF KEY SENIOR MANAGEMENT [CONT'D]

Chong Yee Beng

Senior Manager of Engineering Division

Age : 55
Gender : Male
Nationality : Malaysian

Qualification

1. Bachelor of Mechanical Engineering, Universiti Teknologi Malaysia

Date first appointed to the Key Senior Management

1 May 2018

Working Experience and Occupation

1. Technical Engineer, Antah Schindler Sdn. Bhd. (1993 – 1995)
2. Senior Purchasing Engineer, Antah Schindler Sdn. Bhd. (1995 – 2002)
3. Production Manager, Advance Engineering Manufacturer Sdn. Bhd. (2002 – 2003)
4. Engineering Manager, UWC Holdings Sdn. Bhd. (2003 – 2018)
5. Senior Manager of Engineering Division, UWC Berhad (2018 – Present)

Present Appointment

None

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

Khor Kean Seng

Senior Manager of Industrial Engineering and Production Division

Age : 54
Gender : Male
Nationality : Malaysian

Qualification

1. Diploma in Electrical Engineering, Institut Teknologi Butterworth

Date first appointed to the Key Senior Management

1 May 2018

Working Experience and Occupation

1. Engineer, Penang Seagate Industries (M) Sdn. Bhd. (1992 – 1993)
2. Supervisor, UWC Holdings Sdn. Bhd. (1993)
3. Section Head, UWC Holdings Sdn. Bhd. (1993 – 2010)
4. Factory Manager, UWC Holdings Sdn. Bhd. (2010 – 2018)
5. Senior Manager of Industrial Engineering and Production Division, UWC Berhad (2018 – Present)

Present Appointment

None

Any family relationship with any director and/or major shareholder of UWC

None

Any conflict of interests that the person has with UWC

None

Other than traffic offences, the list of convictions for offences within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

None

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of UWC Berhad (“UWC” or “the Company”) recognises the importance of sound corporate governance and is committed to uphold the high standard of corporate governance and ethics throughout the Company and its Group of Companies (“the Group”).

This Corporate Governance Overview Statement (“Statement”) is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the resolution and approval of the Board.

The objective of this Statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 31 July 2024 (“FYE 2024”). In accordance with Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia (“SC”), the main principles governing these governance practices are namely Board Leadership and Effectiveness; Effective Audit and Risk Management; and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Separately, the Board has also provided specific disclosures on the application of each Practice in its Corporate Governance (“CG”) Report. The stakeholders are advised to read this Statement in conjunction with the CG Report. The CG Report is available on the Company’s website at www.uwcberhad.com.my as well as the Company’s announcement made to Bursa Securities on 29 November 2024 together with the announcement of Annual Report FYE 2024.

Principle A: Board Leadership and Effectiveness

I. Board Responsibilities

The Board is entrusted to overseeing the overall management of the business affairs of the Group; determining all major policies; ensuring effective strategies and management are in place; assessing the performance of the Group and its management team; and reviewing the systems of risk management and internal control of the Group.

When implementing the business plan, the Executive Directors are responsible for executing corporate decisions made by the Board while the Non-Executive Directors scrutinise the management performance by providing independent views and advice in the interests of the shareholders at large.

In order to ensure that its obligations to its shareholders and other stakeholders are understood, the Board has defined and collectively review and approved its roles and responsibilities as well as its schedule of reserved matters in its Board Charter.

The Board will periodically review and track the management performance through its review of the interim financial results of the Group. The Board is kept abreast of the latest updates of the Company in the quarterly Board Meeting.

The Group has in place the Anti-Bribery and Anti-Corruption Policy in keeping with the commitment set forth to prevent and detect bribery and corruption. This Policy is prepared in accordance with the Malaysian Anti-Corruption Commission Act 2009 and Malaysian Anti-Corruption Commission (Amendment) Act 2018.

In addition, the Group has also adopted Whistle Blowing Policy. The objective of this Whistle Blowing Policy is to create open work environment practice within the Group. The Code of Conduct serve as a tool for the Board to convey and instil its values into the organisation. During the financial year, the Board has reviewed and approved the revised Code of Conduct to ensure they are implemented effectively and kept compliance with the changes in regulatory requirements.

In putting the Diversity Policy into action, the Board, through Nomination Committee, will conduct all prospective Board appointment processes in a manner that promotes diversity on. Candidates will be identified and shortlisted based on meritocracy focusing on variety of factors, including, among others, professional experiences, business experiences, skills, expertise and academic grounding whilst taking into consideration diversity of gender, age and ethnicity.

The Board has also introduced the Fit and Proper Policy for Directors which defines the criteria in the evaluation of directors before their appointment and/or re-election to the Board.

The Board had also approved enhancement of disclosure in the Board Charter, Terms of Reference for Audit Committee and Code of Conduct to incorporate the amendments to MMLR announced on 26 May 2023 in relation to conflict of interest. No change to the Terms of Reference of Risk Management Committee following a review.

The Board Charter, Code of Conduct, Whistle Blowing Policy, Anti-Bribery and Anti-Corruption Policy, Diversity Policy and the Fit and Proper Policy for Directors as well as the Terms of Reference of the Board Committees are published onto the corporate website at www.uwcberhad.com.my. The Board Committees referred to the Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT'D]

Principle A: Board Leadership and Effectiveness (cont'd)

I. Board Responsibilities (cont'd)

The Board Chairman instils good governance practices, leadership and effectiveness in the Board through chairing of board and shareholders meetings and deliberating together with the Board members on board matters and policies. The position of Board Chairman and Group Chief Executive Officer ("CEO") are held by different individuals. The role of the Board Chairman is to ensure the effective functioning of the Board while the key roles of the Group CEO is to lead and manage the Group's operations and business activities as well as execute the decisions made by the Board.

The Board is assisted by the qualified and competent Chartered Secretaries who are qualified in accordance with the requirements of the Companies Act 2016 and equipped with relevant experience and competence on statutory and regulatory requirements. The Company Secretaries assist the Board in discharging its duties in regard to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices.

Board papers were circulated to the Board members at least seven (7) days in advance of each Board meetings in order to provide the Board members with information beforehand so that they can deliberate issues more effectively during the Board meetings. During the board meeting, Executive Directors and management were also invited to attend the Board meetings to provide explanations to the Board on the agenda discussed.

The Board also has access to all information and assistance necessary for the discharge of its responsibilities. Subject to Board's approval, all Board members could seek independent professional advice in discharging their responsibilities, at the expense of the Group.

The underlying factors of Directors' commitment to the Group are devotion of time and continuous improvement of knowledge and skill sets. During the financial year, five (5) Board meetings were held. These meetings were attended by all members of the Board.

The Board is responsible for the overall direction on the sustainability efforts and initiatives of the Group. The roles and responsibilities of the sustainability governance bodies are disclosed in Sustainability Report of this Annual Report. In order to discharge their duties effectively as Director, the Board attended appropriate seminars, trainings, or workshops during the year to continuously enhance their knowledge and stay abreast of latest developments relating to sustainability matters. In line with Practice 4.5 of the MCCG, the Board has appointed Dr. Ng Chin Liang, the Deputy Group CEO to lead the sustainability initiatives of the Group.

The Board is updated regularly by the Company Secretaries and management on the training programme available by regulators and professional bodies. The present Board members have attended the following trainings:

Name of Directors	Mode of Training	Title
Dato' Wan Hashim Bin Wan Jusoh	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	ESG and Climate Change Affect the Solar Power Generation Industry
	Webinar	Anti-Corruption Training for Directors
	Webinar	Amendments on Conflict of Interest
	Webinar	Amendments on Sustainability Training for Directors
Dato' Ng Chai Eng	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	Trends and Forecast of Malaysia's E&E, and Semiconductor Industry with S&P Global Market Intelligence
	Webinar	GenAI Innovation through Design Thinking - "Towards Human Centered AI"
Dato' Lau Chee Kheong	Webinar	Trends and Forecast of Malaysia's E&E, and Semiconductor Industry with S&P Global Market Intelligence
	Webinar	GenAI Innovation through Design Thinking - "Towards Human Centered AI"
	Physical	National Seminar on Promoting National Unity and Nation Building Through Business and Entrepreneurship
	Physical	Malaysia SME National Conference
	Physical	2024 Global Economic and Strategic Outlook Forum

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT'D]

Principle A: Board Leadership and Effectiveness (cont'd)

I. Board Responsibilities (cont'd)

Name of Directors	Mode of Training	Title
Dato' F'ng Meow Cheng	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
	Webinar	Violations of the Companies Act 2016: Oversight by Directors and Secretaries
	Webinar	MIA Blended Learning Series: Latest Development in Malaysian Financial Reporting Standards (MFRS) / IFRS and IC Interpretation - An Overview
	Webinar	The Beneficial Ownership Reporting Framework for Companies based on the Companies (Amendments) Act 2024
Dato' Lio Chee Yeong	Webinar	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Webinar	ICDM PowerTalk: Climate Change & Carbon Footprint - Getting the Right Financial Risk & Reporting Perspectives
	Webinar	ICDM PowerTalk: Being Sued as an INED - A Personal Journey
	Physical	Malaysian Institute of Management (MIM): Finance for Non-Finance Manager
	Physical	Malaysian Institute of Management (MIM): Unlocking Tomorrow's Financial Horizons: Malaysian Budget 2024 Tax Proposals
Jariyah Binti Hashim	Physical	Mandatory Accreditation Programme Part I
	Webinar	How to Detect Financial Warnings in Companies
	Webinar	From Risk to Reward: The Science of Scaling Out in Trading
	Webinar	Revolutionizing Manufacturing: The Power of AI
	Webinar	Building Sustainable Futures: ESG Essentials for Public Listed Companies in Malaysia
Dr. Ng Chin Liang	Webinar	ESG Roundtable Webcast
	Webinar	Cleanroom Protocol Training
	Physical	Leadership Talk Series: "Are You Prepared for Failure"
	Internal	Reframing the Leadership Agenda for an Uncertain Future

II. Board Composition

Presently, the majority of the board members are Independent Non-Executive Directors. This composition is on par with Paragraph 15.02 of the MMLR as well as the practice required for Large Company under the MCCG. Descriptions of the background of each director are presented in the respective Profile of Directors in this Annual Report.

The Nomination Committee ("NC") reviewed the independence of the Independent Directors annually based on the requirements and definition of "independent director" as set out in the MMLR, the confirmation of independence declared by Independent Directors as well as their objectivity in carrying out their duties and responsibilities objectively.

The appointment of Board and key senior management are based on objective criteria, merit and with due regards for diversity in skills, experience, age, cultural background and gender. The current diversity in age distribution, gender and skillsets of the existing Board are shown in Practice 5.5 of the MCCG in the CG Report.

When identifying candidates for appointment as director, the NC would consider recommendations from existing board members, management, major shareholders and third-party sources, thereafter shortlist candidates for the Board's further deliberation.

The Board evaluates candidates for directorship based on their skills, knowledge, professionalism, character and experience in line with the needs of the Group.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT'D]

Principle A: Board Leadership and Effectiveness (cont'd)

II. Board Composition (cont'd)

On 25 March 2024, the NC has considered and assessed the suitability of the candidate nominated namely Jariyah Binti Hashim ("Puan Jariyah") for nomination as Independent Non-Executive Director ("INED") of the Company. Based on the qualification and experience of Puan Jariyah, the NC was of the opinion that Puan Jariyah was a suitable candidate for appointment as a director and would fit in with the overall balance composition of the Board. Accordingly, the NC resolved to recommend the appointment of Puan Jariyah as an INED to the Board.

The Board has adopted a Fit and Proper Policy for Directors. The purpose of this Policy is to define the criteria (i.e. character, experience, integrity, competence and time commitment to effectively discharge his/her role) in the evaluation of directors before their appointment and re-election to the Board.

The board is committed to workplace diversity and recognizes the benefits arising from employee and board diversity. UWC has in place a Diversity Policy for the Board and its workforce as the Board is of the collective opinion that the Diversity Policy is a formalisation of the Group's commitment to gender diversity at board level and across the Group.

The INEDs, Dato' F'ng Meow Cheng and Jariyah Binti Hashim (appointed on 2 May 2024) are female Directors which represents 33% female representation on Board. Their presence is in line with Practice 5.9 of the MCCG, as well as MMLR which mandates presence of at least one (1) female Director on board. The Board views the incorporation of gender diversity in the boardroom as a long-term goal, and is committed to provide equal opportunities and nurturing diversity within the Group.

An annual assessment of the Board is undertaken following the completion of the financial year. The evaluation is carried out by way of questionnaires sent to each Director. The questionnaires cover the composition, role, procedures and practices of the Board as a whole and the self-assessments of each individual director's performance. In the assessments, the NC took into consideration, among others but not limited to, the character, experience, integrity, personality, competence and contribution of each director. The individual responses to the questionnaires are confidential to each Director, with questionnaire responses sent to the Company Secretary for summarization for consideration by the NC and subsequent report back to the Board.

On 24 September 2024, the Company Secretaries tabled following evaluations performed by the directors for the financial year 2024 to the NC:

- i. Review the current Board's structure, size and composition,
- ii. Assess the effectiveness of the Board as a whole and Board's Committee as well as the contribution of each individual Director,
- iii. Assess the effectiveness of the Board on Environmental, Social and Governance ("ESG") issues such as ESG considerations and sustainability targets,
- iv. Review the required mix of skills and experience and other qualities, including core competences of the members of the Board,
- v. Review the level of Independence of Independence Directors,
- vi. Note the details of the training attended by the Directors of the Company; and
- vii. Review and recommend re-election of retiring Directors.

The NC noted satisfactory results from the above evaluations and reported to the Board accordingly.

The NC had conducted an annual review over the performance of the Audit Committee and its members, the NC was of the view that Audit Committee and its members have carried out their duties in accordance with the terms of reference of the Audit Committee. At the same time, the executive Board members, in reviewing the reports from the Audit Committee, affirmed that Audit Committee and its members have carried out their duties in accordance with the terms of reference of the Audit Committee.

III. Remuneration

Broadly, the remuneration policy of the Board requires that the remuneration of the Non-Executive Directors to be determined in accordance with their experience and the level of responsibilities assumed in the Board Committees, their attendance and special skills and expertise they bring to the Board whilst the remuneration of the Executive Directors will be based on the individual's and Group's performance, the market conditions trends and industry practice.

The Board has established its Remuneration Committee comprising wholly Independent Non-Executive Directors. The terms of reference of the Remuneration Committee are posted onto corporate website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT'D]

Principle A: Board Leadership and Effectiveness (cont'd)

III. Remuneration (cont'd)

The Remuneration Committee which consists wholly of Non-Executive Directors recommends the remuneration for the Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. Individual Director abstains from deliberations and voting on the decision in respect of their own remuneration.

The Remuneration Committee met two (2) times during the financial year.

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The detailed disclosure of the Directors' remunerations is reported in Practice 8.1 of the MCCG in the CG Report. Nevertheless, details of the remuneration of the Senior Management are not disclosed on a named basis as the Board is of the view that such disclosure may expose our key senior management to unwarranted attention. The Board also believes that non-disclosure of the remuneration information on top five (5) senior management (who are not Board members) will not affect the interest of its shareholders.

However, the Board would endeavour to ensure that the remuneration of the top five (5) senior management commensurate with their duties and responsibilities and aligned to market pay-outs.

Principle B: Effective Audit and Risk Management

I. Audit Committee

The members of Audit Committee ("AC") comprising fully Independent Non-Executive Directors. The Chairman of the Committee is not the Chairman of the Board. Members of the AC are financially literate, with diverse background, experiences and knowledge in accountancy, business management, commercial and corporate laws as well as national investment policies and administration.

None of the members of the AC are former audit partners of the current External Auditors of the Group. The AC is mindful of the minimum three (3) years cooling off period best practice under the MCCG when considering the appointment of former key audit partner from its current External Auditors.

The present External Auditors have been appointed since financial year 2011. Nonetheless, the External Auditor' practises a seven (7) year engagement partner rotation policy.

Before the commencement of the current financial year audit, the AC has reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline.

The External Auditors confirmed that independence check and confirmation procedures are carried out in the firm and there is no conflict of interest for rendering their non-audit services to UWC presently.

II. Risk Management and Internal Control

The Board acknowledges its overall responsibility for maintaining a sound internal control system for the Group identifying and reviewing risks; and ensuring the implementation of appropriate systems to manage risks. While the Board has delegated its oversight role in risk management and the system of internal controls to the Risk Committees, the Board understands the principal risks of the business that the Group is engaged in.

The risk management processes in identifying, evaluating, managing and documenting key risks in UWC are embedded in the operation and business processes in accordance with the ISO Environment and Quality Management System. These processes are performed by respective Heads of Department and reported to the Executive Directors cum Group CEO and COO. During the year, the management has reported to the Risk Management Committees of the status of its key risks.

The detailed features of the Group's risk management and internal control framework are disclosed under Statement of Risk Management and Internal Control ("SORMIC") of this Annual Report.

The Internal Auditors will review the systems of internal control of the Group based on the audit plan approved by the AC. The Internal Auditors will then report their findings, their suggestions for improvement and the management responses to the AC. The progress of the implementation of recommended actions are being monitored through follow up reviews by the Internal Auditors. The AC will then report to the Board on the progress and findings of the internal audit function.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONT'D]

Principle B: Effective Audit and Risk Management (cont'd)

II. Risk Management and Internal Control (cont'd)

During the financial year 2024, the Board has outsourced its internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), an independent professional firm which reports directly to the AC. The AC has approved the Internal Audit Plan, which outlines the scopes of internal audit for the whole financial year. Subsequently, the internal audit findings and recommendations for improvement, including action plans agreed with operation level management, were reported to the AC on 25 June 2024.

The AC also reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

Further details of the Internal Audit function are set out in the AC Report section of this Annual Report.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

I. Communication with Stakeholders

Information about the Group's business and corporate developments is disseminated through the Company's annual reports, various disclosures to Bursa Securities including quarterly financial results, changes in composition of the Board, changes in shareholdings and others announcements in accordance with the MMLR of Bursa Securities were made from time to time.

In addition, the Group maintains a website at www.uwcberhad.com.my where shareholders or investors may access information of the Group encompassing corporate information, latest financial results, annual reports, announcements to Bursa Securities, Board Charter, other Board policies and Board Committees' terms of reference.

II. Conduct of General Meetings

The Board will ensure that the Notice of the Annual General Meeting ("AGM") is sent to shareholders at least twenty-eight (28) days ahead of the date of general meeting in order to provide sufficient time and opportunity to shareholders to prepare for the discussion in general meetings. The Board Chairman, Chairmen of the respective Board Committees as well as other Board members will be present at the general meetings to respond to shareholders' queries.

The notice of sixth (6th) AGM was despatched to the shareholders on 30 November 2023, which is at least 28 days prior to the meeting held on 8 January 2024. In addition to sending notices, the Company also advertised in a major local news media (The Star) as well as the Company's corporate website.

Likewise, the forthcoming seventh (7th) AGM will be conducted on 6 January 2025 and the Company shall provide the Notice of AGM to the shareholders at least 28 days prior to it. Shareholders who are unable to attend the AGM are advised to appoint proxies to attend and vote on their behalf by completing the proxy form enclosed in the Annual Report and depositing it at the Registered Office at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

All resolutions set out in the Notice of AGM will be put to vote by poll. The Company will also appoint independent scrutineer to validate the vote cast at the general meeting in accordance with the requirements of Paragraph 8.29A of the MMLR of Bursa Securities. The outcome of the AGM will be announced to Bursa Securities on the same meeting day.

Before resorting to the use of technology voting system, the Board will observe the number of shareholders turn-up in the next few general meetings and evaluate the cost and benefit of the electronic and technology voting system options for managing voting by large group of shareholders.

Members of the Board and Board Committees, the management, Company Secretaries and external auditors were present during the 6th AGM held on 8 January 2024 to address any areas of interest or concerns brought up by the shareholders. During the general meeting, the Board addressed all questions posed by shareholders. The Board also presented the response to the queries raised by Minority Shareholders Watch Group ("MSWG") prior to AGM.

The minutes of the 6th AGM detailing the meeting proceedings, outcome of the voting results as well as the response to the MSWG were published on the Company's corporate website in a timely manner.

The Board has deliberated, reviewed and approved this Statement in line with the principles of the MCCG. The Board is satisfied that the Company has fulfilled its obligation under the Code, MCCG, Bursa Securities and all applicable laws and regulations throughout the FYE 2024.

This Statement is made in accordance with a resolution of the Board on 21 November 2024.

SUSTAINABILITY REPORT

INTRODUCTION

This sustainability report has been prepared in accordance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) as well as in reference to the following frameworks and standards:

- Bursa Malaysia Sustainability Reporting Guide (“Guide”)
- FTSE4Good Bursa Malaysia Index
- Global Reporting Initiative (“GRI”) Standards
- Taskforce on Climate-Related Financial Disclosure (“TCFD”) Framework

The Company and its subsidiaries (“**Group**”) have relied on the guidance provided under the Guide for its sustainability practices. The Guide provides guidance on how to embed sustainability in our organisation and helps us to identify, evaluate and manage our material economic, environmental and social (“**EES**”) risk and opportunities. Our sustainability practices aim to generate long term benefits to our stakeholders in terms of business continuity and value creation. **Besides, we strongly support the 17 United Nations Sustainability Development Goals and will progressively integrated these goals into our sustainability practices.**



FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that UWC Berhad has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (“ESG”) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

UWC Berhad has met the globally recognised standards and successfully been inclusion to the constituents of the FTSE4Good Bursa Malaysia (“F4GBM”) Index and constituents of the FTSE4Good Bursa Malaysia Shariah (“F4GBMS”) Index.

The F4GBM Index, which was launched in December 2014 with 24 constituents, measures the performance of public listed companies (PLCs) that demonstrate strong ESG practices. Meanwhile, the F4GBMS Index that was launched in July 2021 with 54 constituents, is designed to track constituents in the F4GBM Index that are Shariah-compliant in accordance with the Shariah Advisory Council screening methodology. Both indices are reviewed semi-annually in June and December against international benchmarks.

For the latest review period of June 2024, UWC has continued to become a member of the F4GBM Index effective from 11 June 2024.

In addition, UWC Berhad has received Sustainability Excellence Award in Year 2023 from KSI Strategic Institute for Asia Pacific. The award is to recognize UWC Berhad’s commitment to excellence and innovation in areas such as environmental protection, social responsibility and economic sustainability.

During the year, UWC Berhad has received the prestigious PRISM Award in South Korea, acknowledging customer acclaim for outstanding performance, ongoing advancement. This showcases UWC’s attributes of leadership, encompassing ambitious direction, impressive execution, and significant impact; innovation, involving the conception and implementation of novel, creative actions or solutions; and collaboration, reflecting active engagement to attain meaningful result.

UWC has recently been honoured with the prestigious Manufacturing Asia Award. This award acknowledged companies that are revolutionizing the manufacturing and exporting sectors by implementing cutting-edge technologies, sustainable practices, and remarkable contributions that promote efficiency and excellence. This award recognizes UWC’s exceptional innovation, commitment to quality and efficiency in production processes.

The ESG ratings and awards received during the year had demonstrated our ongoing commitment to enhance ESG performance, as we are dedicated to incorporating the highest standards of sustainability practices throughout our business and it is a testament to our global commitment. We are pleased to have instilled a strong sustainability mindset among our employees and all stakeholders, which we will continue to seek opportunities to advance our ESG and Sustainability initiatives.

SCOPE OF REPORTING

This report covers the sustainability performance of our core business operations for the financial year ended 31 July 2024 unless stated otherwise.

Our core business operations comprised of manufacturing and provision of precision sheet metal fabrication, precision machined components, value-added assembly services and automation solutions.



SUSTAINABILITY REPORT (CONT'D)

ASSURANCE STATEMENT

This Report has not been externally assured. Nonetheless, the Group's sustainability reporting processes are subject to internal validation, assessments and third-party audits disclosed in this Report.

In preparing this Report, we conducted internal validation to verify the accuracy and integrity of the data disclosed. The content of this Report has been reviewed and endorsed by our Board of Directors ("Board") and Sustainability Committee, who have ensured the Report's relevance to the Group's business and that current and material issues are covered. We will consider obtaining external assurance for our sustainability reports in the future years.

COMMITMENT TO SUSTAINABILITY

Our corporate vision is to be the preferred integrated OEM partner providing complete solutions with leading-edge technology while our corporate mission is to be a complete solution for high-tech strategic partners.

Our Board is committed to sustainability practices in our organisation and has appointed Dr. Ng Chin Liang, the Deputy Group CEO, to lead the sustainability development efforts. He is responsible for identifying material sustainability matters and formulating the related sustainability initiatives. Dr. Ng Chin Liang provides strong stewardship towards the implementation of the sustainability initiatives within the Group and he is supported by a number of sub-committees to aid him to discharge this responsibility effectively. Together, Dr. Ng Chin Liang and the sub-committees form the Sustainability Committee which ensures that sustainability practices are embedded and integrated into the Group's business operations rather than as a standalone basis, to ensure continuity, relevance and sustainability of the practices.

The Executive Director cum Group Chief Operations Officer ("COO"), Dato' Lau Chee Kheong was appointed in 2018 as the Chairman of the Safety, Health & Environmental ("SHE") Committee to oversight the safety and health, environment development, including management of health and safety risks. Further details of the activities of SHE Committee set out under the Social Pillar in this Sustainability Report.

We have appointed independent consultant to conduct annual evaluation on UWC's ESG performance which cover various aspects such as Environment, Labour and Human Rights and Ethic in order to drive continual improvements. From there, we utilize the tools to address corrective actions and identify improvements areas to strengthen our current ESG practise. This allows us to fine-tune our sustainability goals and we are endeavoured to achieve a better and more sustainable future for all.

The reporting governance structure is as follows:



* EMS: Environmental Management System

* OHS: Occupational Health and Safety

SUSTAINABILITY REPORT (CONT'D)

COMMITMENT TO SUSTAINABILITY (CONT'D)

The roles and responsibilities of the above governance bodies are:

The Board

- Oversees the sustainability efforts and initiatives of the Group;
- Reviews and endorses the Group's material sustainability matters;
- Reviews and endorses the sustainability initiatives proposed by the Sustainability Committee;
- Reviews and endorses the annual sustainability report for inclusion in our annual report; and
- Sets strategies that support long-term value creation and includes strategies on EES considerations underpinning sustainability.

Sustainability Committee

- Identifies material sustainability matters that are relevant to the Group's business operations;
- Proposes sustainability initiatives and measures to be implemented across the Group;
- Implements sustainability initiatives that have been approved by the Board;
- Conducts data gathering for sustainability reporting; and
- The Chairman reports the overall progress of the Group's sustainability efforts to the Board.

Sustainability Practices

In line with the Guide, sustainability is viewed in the context of EES, and good governance is regarded as one of the underlying foundations that underpin the focus on performance along the aforementioned dimensions. The terms economic, environmental and social can be explained as follows:

 Economic	 Environmental	 Social
<p>An organisation's impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels. It does not focus on the financial condition of the organisation.</p> <p><i>Note: These may include the organisation's procurement practices, or community investment.</i></p>	<p>An organisation's impact on living and non-living natural systems, including land, air, water and ecosystems.</p> <p><i>Note: These may include the organisation's usage of energy and water, discharge of emissions, or loss of biodiversity, etc.</i></p>	<p>The impacts an organisation has on the social systems within which it operates.</p> <p><i>Note: These may include the organisation's relationships with communities, employees, consumers, etc.</i></p>

(Source: Adapted from the GRI Standards)

SUSTAINABILITY REPORT (CONT'D)

Stakeholder Engagement

A stakeholder is essentially an individual or a group that has an effect on, or is affected by our Group and our activities. Naturally, our stakeholders influence the way we carry out our business activities and how we formulate our strategies to meet their expectations and to generate long term benefits to our stakeholders in terms of business sustainability and value creation.

The table below lists the needs of our different stakeholder groups and how we engaged and addressed their needs.

Stakeholder Groups	Areas of Interest	Engagement Methods
 Investors/ Shareholders	<ul style="list-style-type: none"> • Return on investment • Business prospects • Future roadmap • Corporate governance 	<ul style="list-style-type: none"> • Engagement with shareholders during the Company's annual general meeting • Quarterly reporting • Dissemination of information through the Company's website • Roadshow and Investors' briefing • Whistle Blowing Policy, Shareholder Communication Policy, Corporate Disclosure Policy and Investor Relation Policy
 Directors	<ul style="list-style-type: none"> • Return on investment • Business prospects • Future roadmap • Corporate governance 	<ul style="list-style-type: none"> • Board of Directors meetings • Business updates and CEO reports • Company events
 Management	<ul style="list-style-type: none"> • Human capital • Financial performance • Production performance • Business strategy 	<ul style="list-style-type: none"> • Continuous management progress meeting and reporting • On-going interaction • Company events • ESG related briefings
 Employees	<ul style="list-style-type: none"> • Competitive salary and benefits package • Occupational safety and health • Clear line of reporting and proper communication channel • Work-life balance • Career path and opportunities • UWC Scholarship Fund 	<ul style="list-style-type: none"> • Employee Handbook • Monthly employee meetings • Employee satisfaction survey and feedback • Performance appraisal • Internal training and development • Engagement with employees • Sports and recreation programme • Occupational safety and health programme • Anti-Bribery and Anti-Corruption briefing • Town Hall and Team Building
 Customers	<ul style="list-style-type: none"> • Product quality • Reliable delivery • Competitive prices • Technical advancement • Customer service and responsiveness 	<ul style="list-style-type: none"> • Customer feedback • After sales service • Customer periodic visit and audit • Customer evaluation on suppliers • Training and development • Customer survey
 Vendors	<ul style="list-style-type: none"> • Procurement policy and procedures • Product cost • Industry standard and requirement • Prompt payments within credit period • Business prospects and financial stability 	<ul style="list-style-type: none"> • Supplier Handbook • Disseminate procurement policy and procedures • Supplier evaluation and assessment on suitability of vendors • Reinforcement of code of conduct for ethical practices • Supplier periodic visit and audit • Supplier Day
 Communities	<ul style="list-style-type: none"> • Impact of operations on surrounding environment • Corporate social responsibility • Corporate governance 	<ul style="list-style-type: none"> • Engagement with local communities • Provide job opportunities • Pay attention to polluting emissions and effluents
 Regulatory authorities	<ul style="list-style-type: none"> • Compliance with existing laws • Standards and certification 	<ul style="list-style-type: none"> • Updates on rules and regulations • Consultation with authorities • Attendance at relevant seminars and conferences • Government agency on-site and off-site meetings • Member of the Federation of Malaysia Manufacturers • Member of Malaysia Semiconductor Industry Association

SUSTAINABILITY REPORT (CONT'D)

Sustainability Matters

Sustainability matters are the risks and opportunities arising from the EES impacts of an organisation's operations and activities and sustainability matters are considered material if they (a) reflect our Group's significant EES impacts; or (b) substantively influence the assessments and decisions of our stakeholders.

Based on existing policies and practices, we have identified and prioritised the material sustainability matters which have the greatest impacts on our business operations and stakeholders.

United Nations Sustainable Development Goals ("SDGs")



The SDGs are the blueprint that set by United Nations ("UN") with collection of 17 interlinked global goals to achieve a better and more sustainable future for all. UWC Berhad is committed to supporting and fulfilling the UN SDGs. We believe in the symbiotic partnership between business, regulatory and society in achieving sustainability in our world.

We focus on aligning our efforts to adopt the UN SDGs which are relevant to our operations. The table below showcases how our sustainability initiatives are aligned with the UN SDGs.

Sustainability Matters	UN SDGs	Sustainability Initiatives
Economic <ul style="list-style-type: none"> - Product Quality - Customer Satisfaction - Supply Chain Management - Innovation - Data Protection and Privacy - Corporate Governance and Ethics 	<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;"> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div style="text-align: center;"> <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> </div> </div>	<ul style="list-style-type: none"> Deliver quality products and services Meet customers' requirements and expectations Promote local procurement Practise the philosophy of Kaizen Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out No cases reported for data breach Uphold the high standard of corporate governance and ethics Established Code of Conduct and Whistle Blowing Policy Established Anti-Bribery and Anti-Corruption Policy and conducted training for all employees No cases reported for non-compliance with regulatory requirement
Environmental <ul style="list-style-type: none"> - Climate Change and Greenhouse Gas Emissions - Environmental Compliance - Energy Management - Waste Management - Water Management 	<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>6 CLEAN WATER AND SANITATION</p> </div> <div style="text-align: center;"> <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;"> <p>13 CLIMATE ACTION</p> </div> <div style="text-align: center;"> <p>15 LIFE ON LAND</p> </div> </div>	<ul style="list-style-type: none"> Accreditation of ISO 14001:2015 Environmental Management Systems Installation of solar power system to reduce carbon footprint Installation of electric vehicle ("EV") Charging Station Advocate energy and paper conservation practise to reduce electricity and paper consumption Compliance with local regulatory requirements for scheduled waste disposal Recognition of climate change risk and opportunities Adopting water management initiatives in water conservation
Workplace <ul style="list-style-type: none"> - Equal Employment Opportunities - Development and Talent Retention - Employee Benefits and Welfare - Human and Labour Rights - Occupational Safety and Health 	<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;"> <p>1 NO POVERTY</p> </div> <div style="text-align: center;"> <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div style="text-align: center;"> <p>4 QUALITY EDUCATION</p> </div> <div style="text-align: center;"> <p>5 GENDER EQUALITY</p> </div> <div style="text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;"> <p>10 REDUCED INEQUALITIES</p> </div> </div>	<ul style="list-style-type: none"> Provide employment with development and talent retention initiatives Provide equal employment and career growth opportunities for all irrespective of race, religion and disabilities Uphold human rights and support internationally proclaimed human rights Support gender equality in our organisation where the women in leadership role comprises 27% of our workforce Zero tolerance to discrimination and harassment Zero cases reported for forced or child labour, grievances and discrimination on human right Safety, Health and Environment ("SHE") Committee led by Group COO to oversight management of SHE

SUSTAINABILITY REPORT (CONT'D)

United Nations Sustainable Development Goals (“SDGs”) (cont'd)

Sustainability Matters	UN SDGs	Sustainability Initiatives
Local Communities <ul style="list-style-type: none">- Local Communities Employment- Corporate Social Responsibility	 <ul style="list-style-type: none">2 ZERO HUNGER 4 QUALITY EDUCATION 5 GENDER EQUALITY 	<ul style="list-style-type: none">▪ Established UWC Scholarship Fund in 2017▪ Community investment with total of approximately RM5,586▪ Established UWC Education Center at Politeknik Malaysia in Seberang Perai▪ Collaboration with Technical and Vocational Education Training▪ Entered Memorandum of Understanding with few several educational institutions▪ Offer internship programme and hired 67 students in current year

ECONOMIC

We have formulated sustainability practices which aim to generate long term benefits to all our stakeholders in terms of business continuity and value creation.

Depending on the financial performance of our Group, we are mindful of rewarding our shareholders with the appropriate returns on their investments in our Company. We engage our shareholders during our annual general meeting which is a platform for them to air their views and to question management on matters of interest. In addition, we conduct periodical investors' briefing and work with independent market researchers for the Group's financial review and analysis. We have in place policies and practices which govern our business dealings and the conduct of our employees and the same have been disseminated to all concerned either through our website or made known to employees at their place of work.

Marketplace

We are committed to conduct our business activities ethically and in a transparent manner so as to build a lasting and trusting business relationship with all our stakeholders.

➔ **Product quality**

Our reputation is built upon the quality products we deliver to our customers who are in the semiconductor, life science and medical technology industries which are mostly large Multinational Companies (“MNCs”). Orders from these customers often involve the exchange of confidential information, such as product technologies, designs and specifications. Trust and integrity of the service providers are, therefore, among the major deciding factors for MNCs in selecting their suppliers, and any leakage or unauthorised use of our customers' confidential information could lead to loss of business from these customers. The quality management we have in place is designed to monitor and control the processes from planning and development to production, shorter lead time for delivery and after-sales service in order to fulfil our customers' high demand for quality.

Our ability to provide integrated engineering supporting services has enabled us:

- (i) to participate in design and development activities through our involvement in our customers' new production introduction activities where we assist our customers by providing inputs on design, engineering and manufacturability aspects of a new product;
- (ii) to serve our customers better by helping them to reduce the number of suppliers to whom they outsource for their manufacturing needs; and
- (iii) to have complete control over the entire manufacturing and assembly process which in turn, allows us to readily trace the source of any problem or issue by tracking our entire process flow. The ability to quickly detect the root cause and diagnose the problem throughout the supply chain is critical for most of our MNC customers.

In addition, as most of our manufacturing processes are carried out in-house, we are able to have a better control over the quality of our products, costs of production and delivery lead time. All the above factors have enabled us to maintain our business relationship with our customers.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

➔ **Product quality (cont'd)**

As a testimony to the quality of our services and capabilities, we have received the following awards:

- 2007 Top 50 Enterprise Awards Malaysia under the category of Golden Award from Malaysia Entrepreneurs' Development Association
- 2008 Best On-Time Supplier Recognition Award from Harmer & Simmons Ltd
- 2012 Supplier Recognition Award from Teradyne
- 2014 Supplier Recognition Award from Agilent
- 2015 Sin Chew Business Excellence Award 2015 under the category of Product and Service Excellence
- 2016 Golden Eagle Award under the Excellent Eagles category from Nanyang Business Daily
- 2017 Outstanding Commitment and Support and New Product Introduction from Teradyne
- 2018 Strategic Partner Award from Manpower Department, Ministry of Human Resources Malaysia
- 2019 Supplier Recognition Award from Keysight for Best in Class Performance Quality
- 2020 Forbes Asia's Best Under A Billion list
- 2021 Manufacturing Sector Award Category 3 in conjunction with Industry Excellence Award (AKI) 2020 from Ministry of International Trade and Industry (MITI)
- 2022 Supplier Recognition Award from Teradyne
- 2023 Malaysia Sustainability Excellence Award from KSI Strategic Institute for Asia Pacific
- 2023 EcoVadis Silver Medal
- 2023 PRISM Award (ESG Collaboration: Social Impact) from ASM
- 2024 Manufacturing Asia Award from Manufacturing Asia



➔ **Customer satisfaction**

Our corporate vision is to be the preferred integrated OEM partner providing complete solutions with leading-edge technology. In line with this vision, our service staffs are well trained to give high priority to customer satisfaction and to achieve this attribute our service staffs are required to attend training in product knowledge and soft skills development in line with the Quality Policy commitment within ISO 9001:2015. We believe in product and service quality, reliability of delivery and product satisfaction.

➔ **Innovation and Industry 4.0**

UWC operates in a dynamic industry and innovation is vital to business success. We are employing business innovation and moving toward to Industry 4.0 environment progressively. In order to adapt Industry 4.0, UWC group have invested in high-end machines with built in remote support interface. Universal data interface for integration of the machines into the networked production facility. The goal is to enable autonomous decision-making processes and real-time connected value creation networks through cyber-physical systems (CPS) and digital technologies (cloud, IoT, Big Data).

➔ **Certification**

We have acquired the certification of ISO 9001:2015 - Quality Management Systems which sums up the high standard of management practices in our organisation. This certification ensures our customers consistently receive high quality product and services, which in turns bring many benefits to our customers, management and employees.

We received the ISO 13485:2016 certification (first awarded as ISO 13485:2003 in 2011) for our business processes in the life science and medical technology industry. Based on ISO 9001:2015 framework, ISO 13485:2016 further requires companies to put in place risk management policies as well as maintain effective processes related to the design, manufacture and distribution of medical related devices.



SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

➔ **Certification (cont'd)**

Our environmental management system was accredited with ISO 14001:2015 certification in 2018, demonstrating our ability in managing our environmental responsibilities in a systematic manner. Yearly surveillance audit assessments are conducted by independently appointed audit bodies.

During the year, our Batu Kawan facility have obtained ISO 14644-1:2015 certification, affirming our Class 100 Cleanroom with grade ISO Class 5, 7 and 8 and Class 10,000 Cleanroom with grade ISO Class 7 and 8 have met the respective criteria.

➔ **Market presence**

To constantly build up our market share, we regularly visit our customers and suppliers to solidify our market presence. We have visited customers to engage with them and to obtain feedback which will form part of our database to formulate our business strategy to expand our market share.

Our publicity activities are available to be viewed on our website under the “news” category and the presence on social media have both increased public awareness of our Group.

➔ **Supply chain management and procurement practises**

We are engaged in responsible procurement practices whereby proper procedures are laid down to ensure that any procurement made is properly evaluated and approved by the relevant authority after considering the production needs and existing stock balance position. We only source our materials from approved vendors which meet certain acceptable business practices and deliver high quality materials based on our specifications.

In addition to that, we work closely with our suppliers to overcome any risk of non-compliance or social issues. We communicate with our supplier via Supplier Handbook about our expectation toward human rights, labour standards and principles of business ethics, such as anti-corruption. Through engaging with our suppliers, we found a lack of knowledge on aspects related to human rights. Due to this, we attempted to enhance their awareness and expect suppliers to acknowledge fundamental principles of human rights as stipulated in our Supplier Handbook acknowledged. To that end, the Group has chosen to have management of its supplier relations coordinated by sourcing/purchasing team which is specifically tasked. This approach is supplemented by employee training programs and actions to raise awareness among the Group's customers and suppliers.

As part of initiatives to drive our supplier to aware about sustainability, we have briefed our supplier about ESG concerns during UWC Supplier Day 2024. We closely monitor our supplier base to mitigate potential supply chain disruption that could be triggered by factors such as severe climate event impacting key suppliers.

Besides, our officers are expected to conduct themselves ethically and are not allowed even to accept non-cash gifts from vendors in relation to cultural/festive celebrations. We will not tolerate any corrupt practices in all business dealings and any breach of the policy will be dealt with severely.

We also pay our suppliers within the stipulated credit period and this practice will help sustain their operations which will be translated into quality service to our Group.

We have an established key supply chain supplying consumable materials, system software, equipment and logistics services for our operations. The local procurement is largely conducted through a screening process managed by Group CEO and General Manager which emphasizes a reliable and cost-effective supply chain.

The Group has also signed a commitment in meeting responsible sourcing of conflict material in response to inhuman treatment in mining from the Republic of Congo and adjoining countries throughout their supply chain.



ESG Briefing during UWC Supplier Day 2024

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

➔ **IT system**

We are supported by an ERP system which captures all our sales and service, staffs are given access to the system which provides on-time details on stocks and production status. This enables our staffs to engage meaningfully with our customers and therefore cuts down on unnecessary delay in obtaining/extracting data. The system also allows another staff to access to a particular project account in the event the person-in-charge is not around to attend to it. The investment in a reputable IT system will sustain our business practices for the long-term benefits to be derived there from.

➔ **IT security and data privacy**

Our business model relies heavily on the user's trusts on their data security and safety. Our IT system has all the necessary security features in place to secure our data base and to protect against malware attacks. We secure information assets and personal data of our customers, suppliers and employees through the use of integrated data protection and information security strategy. We have implemented the following cyber security measures, protocols and practises to ensure the safety of our business model from cyber threats.



IT Security Protocols and Practices:

- Deployment of Next Generation Firewall, Endpoint Protection, Antimalware Systems, Access Management System throughout entire Infrastructure
- Data/traffic transmitted through our network is protected for any malicious activities attempting to exploit a known vulnerability and identify and prevent any suspicious activity to ensure detect and prevent the threat
- Apply system and application security patches and perform system vulnerability assessment regularly to prevent malicious attack via the exploitation of vulnerability to ensure maintained secure systems and environment
- Information Security awareness published in UWC Portal and constantly remind and share to employees to ensure that employees are aware of the security standard that need to adhere and maintain awareness of cyber risk
- Regular audit and governance assessment to ensure the robustness of entire IT system and infrastructure
- Limit and control of employee's access to data information and limit the number of privileged accounts while monitor user activities

In FY2024, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

	FY2022	FY2023	FY2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

Corporate Governance and Ethics

The board has continuously aimed to promote a sound governance through policies which complied with the latest regulatory requirements and the principles of best corporate governance practices. These include Code of Conduct, Anti-Bribery and Anti-Corruption Policy and Whistle Blowing Policy are made available on our website at www.uwcberhad.com.my. We communicated these Code and Policies to all Directors and employees to ensure the uphold with our core value.

➔ **Board of Directors**

The Board of UWC recognises the importance of sound corporate governance and is committed to uphold the high standard of corporate governance and ethics throughout the Company and its Group of Companies.

In order to ensure the effective discharge of the Board's duties, the Board has established four committees, each with delegated specific responsibilities in discharging its duties:

- Audit Committee ("AC")
- Remuneration Committee ("RC")
- Nomination Committee ("NC")
- Risk Management Committee ("RMC")

In FY2024, the Board met five (5) times to deliberate and consider routine matters and significant issues requiring thorough deliberation. Attendance at the meetings of the Board and Board Committees was 100% as tabulated below:

Name	BOD	AC	RC	NC	RMC
Executive Director					
Dato' Ng Chai Eng	5/5	-	-	-	-
Dato' Lau Chee Kheong	5/5	-	-	-	-
Independent Non-Executive Chairman					
Dato' Wan Hashim Bin Wan Jusoh ⁽¹⁾	5/5	4/4	2/2	4/4	1/1
Independent Non-Executive Director ("INED")					
Dato' F'ng Meow Cheng	5/5	5/5	2/2	5/5	1/1
Dato' Lio Chee Yeong	5/5	5/5	2/2	5/5	1/1
Jariyah Binti Hashim ⁽²⁾	1/1	1/1	-	1/1	-
Alternate Director					
Dr. Ng Chin Liang	5/5	-	-	-	-

⁽¹⁾ Ceased as member of AC, RC, NC and RMC on 2 May 2024

⁽²⁾ Appointed as INED on 2 May 2024

All Directors are subject to retire by rotation, at least once every three (3) years but shall be eligible for re-election in accordance with Clause 165.1 of the Company's Constitution. New director appointed by the Board during the year, if any, is required to retire at the next Annual General Meeting ("AGM") and stand for election by shareholders pursuant to Clause 156 of the Company's Constitution. The details regarding the Directors standing for re-election at the next AGM are contained in the Company's Notice of AGM. At the AGM, shareholders are given the right to vote on the Director's re-election.

The AC assist the Board to review any related party transaction and conflict of interest situation that persist or may arise within the Group to mitigate any potential conflict of interest and safeguard the interest of the Group and its minority shareholders. During the year, the AC has reviewed the related party transactions and was satisfied that the related party transactions were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to the Group nor detrimental to the minority shareholders' interest of the Company.

The Boards members are from various professional backgrounds and oversees the operations of the group. The Board views the incorporation of gender diversity in the boardroom as a long-term goal, and is committed to provide equal opportunities and nurturing diversity within the Group. As at 31 July 2024, our board consists six (6) members which is made up of two (2) Executive Directors, one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors. We have two (2) female directors, equivalent to 33% of the Board as of year-end until the date of this Report. This complies with the requirement of having at least 30% women Directors on the Board, as stipulated by Practice 5.9 of the Malaysian Code on Corporate Governance ("MCCG").

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

➔ **Code of Conduct**

Code of Conduct is formulated to reflect UWC corporate value on commitment of integrity, responsibility, diligence and professionalism. The Code sets out the rules outlining conflict of interest, confidentiality, insider trading, protection of assets and funds, compliance with rule and regulations, directorship, gifts and hospitality, anti-bribery, health and safety environment and human and labour rights. This Code of Conduct will be periodically reviewed and updated by the Board to ensure that it is effective, relevant and comply with other regulatory requirements.

Based on FY2024 review, there were no cases reported for non-compliance with the Code of Conduct.

➔ **Work and business ethics and Anti-Bribery and Anti-Corruption Policy**

Our work ethics require all our employees to discharge their duties and responsibilities in accordance to their job functions professionally, honestly, productively and efficiently. Likewise, for those conducting business on behalf of the Group are required to observe generally accepted business ethics such as engaging in fair negotiations with our customers and vendors and adopting a “win-win” strategy when closing business deals.

With the implementation of the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 which introduces corporate liability provision for bribery and corruption offences that came into effect on 1 June 2020. All the employees are required to undergo the Anti-Bribery and Anti-Corruption Training to ensure holistic understanding of the new provision. The Board will review the Anti-Bribery and Anti-Corruption Policy regularly to consider its suitability, adequacy and effectiveness.

Premised on the aforementioned, we will not tolerate bribery and corruption practices among our employees irrespective of ranks and status. As bribery and corruption practices are punishable crimes, anyone caught will be dealt with severely like reporting to the police and brought to court.

UWC does not make donations to political organizations or political candidates. During the year, there were no reported incidents of corruption or breaches of Anti-Bribery and Corruption. However, should any detected, the Company follows a set of procedures to investigate and address the alleged non-compliance.

	FY2022	FY2023	FY2024
Number of staff disciplined or dismissed due to non-compliance with Anti-Bribery and Anti-Corruption Policy (Headcount)	0	0	0
Cost of fines, penalties, or settlements in relation to corruption (RM)	0	0	0

➔ **Whistle Blowing Policy**

We are committed to conduct our affairs in an ethical, responsible and transparent manner. In this respect we have a Whistle Blowing Policy in place whereby our employees are encouraged to report any malpractices or wrongdoings to the Chairman of the Audit Committee including any unethical or illegal conduct in financial reporting and to the Managing Director for any employment related concerns. UWC also encourage the stakeholders such as contractors, consultants and business partners to report or raise any real or suspected cases of bribery or corruption whenever he/she become aware of these cases. When a case of violation is confirmed, corrective measures are introduced. In cases, measures were introduced to correct human rights violations, including employee dismissals.

A proper channel is established for whistleblowing to help the stakeholders including external parties and members of the public raise concerns. The stakeholders can make report verbally or writing via email to as set out in the Whistle Blowing Policy which is available on our website. The identity of whistle-blower is protected under this policy.

There were no whistleblowing cases reported during the year.

➔ **Corporate governance and compliance**

We are committed to uphold the highest standards of corporate governance conduct, sustainability governance and best practices as laid out in the MMLR of Bursa Securities and MCCG. Additional corporate governance policies are elaborated in the Corporate Governance Overview Statement on pages of 27 to 32 of this Report and more comprehensively in our Corporate Governance Report that is available on the website of Bursa Securities.



SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

➔ **Risk management**

The UWC Internal Audit Team is led by the Head of Audit. Risk assessment is prepared by the operational level and it will be discussed and approved by the respective Head of Department ("HOD"). The respective HODs are responsible for risk reporting to the top management including CEO via management meeting, whereby the risk reporting of risk context under Quality Assurance ("QA") department will be reported by the QA Manager which is separate from the Head of Audit.

The Board is also ultimately responsible for ensuring UWC has an adequate and effective risk management and internal control system. The Risk Management Committee supports the Board with regards to the Group's risk management systems. The risk assessment has been prepared in reference to ISO Quality Management Systems (ISO 9001:2015) and Environmental Management System (ISO 14001:2015). The detailed feature of risk management and internal control framework are disclosed under Statement of Risk Management and Internal Control in accordance with the MCCG. The Committee continuously reviews the effectiveness of the risk management process. In addition to that, climate-related risk and opportunities are identified and addressed based on TCFD Framework which helps to aligns our risk management initiatives with the industry best practices.

Based on the Company's procedures to keeping track in FY2024, UWC is pleased to report zero incidents or claims of non-compliance throughout the organization. As such, there is no provision of fines or settlements for ESG related issues during the financial year under review and accordingly none specifically disclosed in the audited accounts. However, should any detected, the Company follows a set of procedures to investigate and address the alleged non-compliance.

UWC has Business Continuity Plan ("BCP") Risk Assessment and Mitigating Action Plan for the catastrophic events, for instance natural disaster, disaster incidents such as fire, electrical failure and hazardous material explosion, information system, operation, material supply and disease. The mitigating or available control and contingency action are deliberated in the plan. The BCP Risk Assessment and Mitigating Action Plan is reviewed annually to ensure it is applicable and up-to-date following our latest business environment.

ENVIRONMENT

As a responsible corporate citizen, we have the responsibility to protect the environment where we operate in. As such we are committed to sustainability development goals and we operate in a way that ensures the environment is clean and safe from harmful pollutants. We believe in preserving the environment for future generations whilst meeting the needs of our stakeholders.

➔ **Climate change risk assessment**

UWC recognises climate change as a key material sustainability matter that may either present as a relevant risk or opportunity to the business. We identified the climate-related risks and categorized it into two major categories as aligned with the classification of Task Force on Climate-Related Financial Disclosures ("TCFD") framework as below:

- Transition risks are the risks related to transition to a lower-carbon economy;
- Physical risks are the risks related to the physical impacts of climate change.

Climate-Related Risks

Category	Risk Type	Time Horizon	Description
Transition Risks	Policy and legal risks	Medium	<ul style="list-style-type: none">• Enhanced emissions-reporting obligations• Possibility of introduction carbon tax• Potential increase in electricity tariffs or cancellation of electricity incentives due to surging fuel cost• Exposure to climate-related litigation
	Reputational risks	Medium	<ul style="list-style-type: none">• Changing customer or community perceptions of an organization's transition to climate-neutral economy
	Technological and industry risks	Medium	<ul style="list-style-type: none">• Creative destruction due to development and deployment of green technologies• Disruption in conventional operations as new technologies displace older systems
	Market risks	-	No major risk identified
Physical Risks	Acute weather events	-	Unlikely exposed to risk that are event-driven such as cyclones and hurricanes
	Chronic events	-	No major risk related to the risk induced by longer-term shifts in climate patterns such as rise in sea level due to higher temperature

SUSTAINABILITY REPORT (CONT'D)



ENVIRONMENT (CONT'D)

→ Climate change risk assessment (Cont'd)

Climate-Related Opportunities

Type	Description
Market	<ul style="list-style-type: none"> Growing demand in electric vehicle ("EV") create business opportunities
Resource Efficiency	<ul style="list-style-type: none"> Installation of EV Charging Station in workplace to collect carbon credits Installation of solar power system with zero GHG emission Installation of LED lights with lower power consumption Use of green-technologies machinery such as energy saving and hydraulically driven machines which consume lesser energy Use of Lithium Battery Electric Forklift with more energy-efficient Ongoing initiatives on energy and water saving Replace Inverter air compressor by phase Installation of timer for existing air conditioner Installation of Inverter air conditioner for new setup Installation of motion sensor for washroom's light Improve energy efficiency: Asses the carbon emissions for new capex/equipment Renewable energy sourcing: Transition to renewable energy by securing Power Purchase Agreements (PPAs) Circular economy practices: Process engineer effort in evaluating manufacturing process to reduce waste through material reuse, and designing products Employee engagement: Educate staff about decarbonization efforts and how they can contribute (e.g., reducing waste, energy-saving tips) Building insulation: Improve insulation in key areas to minimize heating and cooling needs without major retrofits



Installation of EV Charging Station



Installation of Solar Panel on the rooftop

→ Greenhouse gas emission

UWC recognises the significant risk that climate change poses to society that needs to be assessed and managed carefully, we measure and report our greenhouse gas ("GHG") emissions. The total operational GHG emissions of UWC group are measured and disclosed below:

Scope	Type	Source
Scope 1 	Direct	<ul style="list-style-type: none"> Consumption of fuel and diesel in operation and vehicles Consumption of liquefied petroleum gas ("LPG") used in production
Scope 2 	Indirect	<ul style="list-style-type: none"> Consumption of electricity in operation

SUSTAINABILITY REPORT [CONT'D]



ENVIRONMENT (CONT'D)

→ Greenhouse gas emission (Cont'd)

GHG Emissions (tCO ₂ e)	FY2022	FY2023	FY2024
Scope 1 ⁽¹⁾	1,437	958	1,215
Scope 2 ⁽¹⁾	4,078	4,288	5,353
Total GHG emissions	5,515	5,246	6,568
Reduction of GHG emissions from installation of solar power system	(801)	(764)	(780)

GHG Emissions Intensity (tCO ₂ e/RM'000 revenue)	FY2022	FY2023	FY2024
GHG emissions intensity	0.0160	0.0160	0.0264

⁽¹⁾ The consolidation approach adopted by UWC in reporting GHG emission is equity share approach.

⁽²⁾ The business operations include Batu Kawan, Penang, Matang, Perak, Johor Bahru, Johor and Phetchaburi, Thailand.

⁽³⁾ The GHG emissions computed based on the Guidelines issued by Malaysian Green Technology & Climate Change Corporation ("MGTC"), international factors provided by sources such as GHG Protocol Standard and 2006 Intergovernmental Panel on Climate Change ("IPCC") guidelines.

Approximately 82% of total GHG emissions from UWC's operations are attributable to Scope 2. The increase in Scope 1 emissions in tonnes of carbon dioxide equivalent ("tCO₂e"), as compared to FY2023 was due to UWC has expanded their business, participation in exhibitions and trade fairs. Hence, these led to the increased consumption of fuel and diesel in operation and vehicles as well as liquefied petroleum gas ("LPG") in the production during the year. The data encompassed our newly acquired subsidiaries namely MCE Technologies Sdn. Bhd. ("MCE") and MCT Thailand Co., Ltd. ("MCT"). The increase in Scope 2 emissions resulted from higher electricity consumption is mainly attributable by acquisition of new subsidiaries, plant extension and complete running of cleanrooms as part of business expansion setup, these are expected to generate intended revenue over time to normalise the GHG emissions intensity. We monitor GHG emissions intensity which is defined as GHG emissions per RM thousand revenue, the GHG intensity ratio was 0.0264 in the current year.

Under the long-term goals for GHG emissions reduction, UWC aims to achieve the following:

- To achieve 3% reduction in GHG emissions intensity in 2027 (5 years from FY2022) as compared to FY2022 as base year; and
- To be Carbon Neutral by 2050 which is aligned to United Nations' Global Roadmap, Net Zero Carbon Emissions ("NZCE") 2050 Roadmap as well as the Climate Governance Malaysia commitment to becoming a carbon-neutral nation by as early as 2050.

In conjunction with Earth Day 2024, UWC has participated in Penang's Plant One Million Trees Planting in One Day program. UWC had planted 20,000 trees during that day, which equivalents to 80 tonnes of CO₂.



Certificate awarded for Tree Planting on Earth Day



Tree Planting on Earth Day

SUSTAINABILITY REPORT (CONT'D)



ENVIRONMENT (CONT'D)

→ **Energy management**

Carbon emissions play a significant role in climate change. Therefore, we strive to reduce our carbon footprint as an ongoing initiative to reduce electricity consumption and combat climate change. We have installed solar panels on the roofs of our premises in order to reduce our carbon footprint. In order to further reduce the GHG emissions, UWC has replaced air-compressor with inverters by phases. Moreover, UWC has installed inverter air conditioner for new setup sites and motion sensor to trigger washroom's lighting as initiatives to reduce the GHG emissions.

Electricity Consumption	FY2022	FY2023	FY2024
Total electricity consumption (kWh)	6,970,092	7,329,637	9,149,803
Percentage of total kWh over total revenue (%)	2.02%	2.70%	3.68%

We consumed a total of 9,149,803 kWh of electricity in FY2024, representing an increase of 25% in our total energy consumption which was mainly caused by acquisition of new subsidiaries which are MCE and MCT located in Johor, Malaysia and Phetchaburi, Thailand respectively, plant extension and complete running of cleanrooms as part of business expansion setup. Both of the new subsidiaries are fully operated. Electricity consumption has been buffered by installation of solar power system. The solar power system was able to save up to 1.33 million kWh of electricity during the year and this is equivalent to 932 tonnes of CO₂ equivalent reduction from Scope 2 emission of power plant. The total cost savings from installation of solar panel is approximately 9.14% of our electricity bills in current year.

To further reduce our carbon footprint, we foster responsible business environment within our premises by educating and encouraging our employees to be energy-conscious and adopt the energy saving practise as described below:

- ✓ Print only when necessary
- ✓ Switching off lights when not in use
- ✓ Use energy saving features of all devices
- ✓ Shutting down and unplugging equipment or appliances when not in use
- ✓ Conduct more virtual meeting to reduce unnecessary travelling

These initiatives not only reduce our impact toward environment, it also contributes to cost savings. We remain committed to improve efficiency in optimising electricity in a more efficient manner ahead to reduce our environmental footprint.

→ **Waste management**

In order to promote sustainable environment, we reduce waste generation through reduction and recycling of non-hazardous waste. Our non-hazardous waste mainly is metal waste which includes mild steel, aluminium, copper, iron and stainless steel. Metal waste is recycled on weekly basis in order to mitigate the problem of metal depletion.

Metal waste	FY2022	FY2023	FY2024
Metal waste recycled (tonne)	713.2	733.3	747.1
Metal waste non-recycled (tonne)	0	0	0

We recorded slight increase in waste generation as compared to prior years which was mainly due to a higher New Product Introduction ("NPI") activity and acquisition of new subsidiaries during the year, nonetheless we still consciously aim to reduce the production of waste through good purchasing practices of materials used, this initiative allows effective use of materials as well as cost saving. We are persisted in its ongoing recycling initiatives by collecting other recyclable materials such as papers, corrugated cartons and plastics. As a responsible business, we remain committed towards expanding our initiative to re-utilise waste in environmentally-friendly approach.



SUSTAINABILITY REPORT (CONT'D)



ENVIRONMENT (CONT'D)

→ **Waste management (Cont'd)**

We have scheduled wastes such as contaminated gloves and rags, contaminated container, waste coolant and electronic waste which requires special handling pursuant to the Environmental Quality Act, 1974 and we managed the scheduled waste responsibly to minimise the risk of unintended contact. The scheduled wastes are stored properly in Schedule Waste Room and the packaging is clearly labelled with its identity and appropriate hazard warning. We are maintaining good practices in handling the scheduled wastes to prevent unintended health threats from scheduled waste to our employees and the environment. All scheduled wastes are disposed of by a licensed contractor for off-site treatment. Scheduled waste report is submitted by Safety, Health and Environmental Officer to Department of Environment twice a year.

Code	Waste Description	Unit	FY2022	FY2023	FY2024
SW410	Contaminated Gloves	kg	320	275	589
SW409	Contaminated Container	kg	64	189	201
SW307	Used Coolant Oil	kg	430	70	885
SW110	Florescent Tube	kg	25	46	83
SW306	Spent Hydraulic Oil	kg	-	-	80

During the reporting year, we had zero incidences of chemical spillage and zero ill health exposed to chemical and metal dust, due to this we received no environmental fines from relevant authorities in this area.

→ **Paper usage**

We remain steadfast with our commitment to combat climate change in order to support and contribute towards environmental sustainability. We aware that reducing paper usage and paper recycling have positive indirect effect in environmental conservation which will help to combat climate change.

Paper Usage	FY2022	FY2023	FY2024
Total no. of paper reams	3,904	2,995	3,749
No. of paper reams per employee per year	3.2	2.1	2.1

In FY2024, our consumption of A4 paper is at 3,749 reams, which is equivalent to 225 trees. There is remain the same in average paper consumption per employee per year which is 2.1 reams. The data encompassed our newly acquired subsidiaries, MCE and MCT. In addition, the same paper consumption by headcount in FY2024 due to our ongoing paper conservation initiatives. UWC encourages less use of paper in order to reduce deforestation which help to reduce greenhouse gases. We remain cognisant and advocate the following best practices to be adopted by our employees in our premises in order to minimise paper usage:

- ✓ Printing only when necessary
- ✓ Reduce margins and font size
- ✓ Always proof-read and preview before printing
- ✓ Printer set to double-sided printing by default
- ✓ Reuse printed paper by flipping it over to print on the unused side
- ✓ Collect and recycle scrap papers
- ✓ System digitalisation to reduce printed form, such as implementation of IT Requisition System and Maintenance Portal for paperless job request, outsourced payroll system for leave or claim application
- ✓ Implementation of Board of Director Portal to replace hardcopy Board's meeting materials

→ **Water management**

Global water security is becoming an increasing risk in the global landscape, and due to this we are committed to responsible usage of water and aim to take actions to continuously improve our water efficiency. Water is a crucial element for our operations as a great deal of water is consumed for wafer fabrication to produce coveted semiconductor chips. Water consumption is conscientiously monitored from time to time, investigation and remedy action is required if there is any unusual usage noted.

As our operations are located in Batu Kawan, Penang and Matang, Perak, Johor Bahru, Johor and Petchaburi, Thailand, we have identified that it does not operate in areas with water stress, as defined by the World Resources Institute's Aqueduct Water Risk Atlas. Our primary water sources are from municipal water service providers, namely Perbadanan Bekalan Air Pulau Pinang for Batu Kawan plants, Lembaga Air Perak for factories located in Matang and Ranhill SAJ Sdn Bhd for Johor plants.

SUSTAINABILITY REPORT (CONT'D)



ENVIRONMENT (CONT'D)

→ **Water management (Cont'd)**

Water Withdrawal	FY2022	FY2023	FY2024
Water withdrawal in water stressed regions	0	0	0
Water withdrawal from municipal water supply system (m ³)	147,552	164,923	144,080
Percentage of total water withdrawal over total revenue (%)	0.0427%	0.0607%	0.0579%

The water consumption has decreased over years from 164,923m³ in FY2023 to 144,080m³ in FY2024, meanwhile the percentage of total water withdrawal over total revenue decreased as well. The data encompassed our newly acquired subsidiaries, MCE and MCT. During the year, we managed to record a lower water consumption by 13%, compared with the previous year. This signifies the effectiveness of our water saving and consumption efficiency initiatives. We are endeavouring to look for initiatives in water conservation. During the year, we continue focus on tracking water leakage, increase the cognizant among the employees and encouraging environmentally sustainable practices in the plant. We performed maintenance on water pipes, pumps and tanks regularly to make sure water leakage is promptly addressed in order to prevent water waste.

As of to date, there is no incident of non-compliance with water quality or quantity permits, standards and regulations.

→ **Environmental compliance**

All sites are in compliance with the ISO14001 standards, which sets out the criteria for our environmental management system ("EMS"). The system provides us with the policies, processes, plans, practices and records that define the rules governing how a company interacts with the environment. We practise regular assessments to evaluate the environmental aspects and impacts to products and services of the Group. We have received certification of the most recent version of the EMS requirements which is referred as ISO 14001:2015.

Thanks to our sustainability practices to date, there have been no untoward incidents which have a negative impact to our environment. This demonstrates our commitment to fulfil the expectations of our customers and stakeholders whilst maintaining a high environmental compliance standard in delivering our products and services.

→ **Competence development and training**

The SHE Officer is a competent person who is registered with the Director General of the Health ("DOSH") managing matters relating to workplace safety and health which is compliance with Occupational Safety and Health (Safety and Health Officer) Regulations 1997. To ensure the environmental agendas are being addressed technically, UWC also aims to provide its employees with recognized qualifications in sustainability and SHE matters to develop their technical competencies and expertise. The SHE Officer has attended the Competency Course and received Certified Environmental Professional in Scheduled Waste Management ("CePSWaM") 2022 accredited by the Department of Environment - Environment Institute of Malaysia ("DOE-EiMAS").



SOCIAL

Our employees are our greatest asset and managing them is our priority. We strive to create an inspiring work place which emphasis welfare and development. We also actively involved in community engagement to develop programmes in order to meet the needs of local communities.

Workplace

We have in place our Employee Handbook which spelt out our HR policies and practices and comply with the Employment Act, 1955. In order to retain our talents, we strive to offer competitive remuneration package which is comparable to the industry, as well as creating a healthy and conducive workplace. This strategy will provide us with a stable and productive workforce that contributes to our sustainability efforts. Furthermore, we have in place our Code of Conduct to govern the ethics and behaviour of our employees in the discharge of their duties in our workplace as well as in our business dealings with customers, vendors and service providers.

→ **Equal employment opportunity**

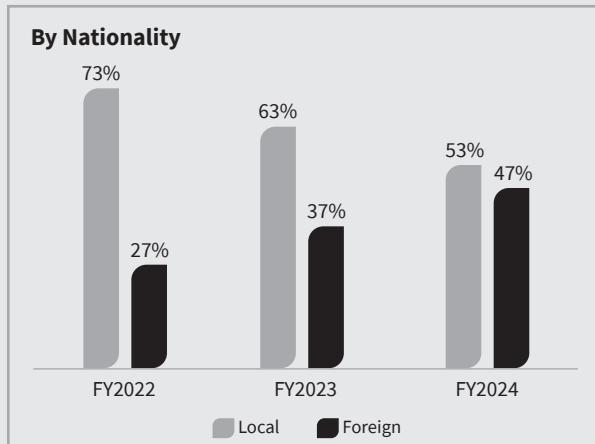
We have implemented a standard recruitment procedure which will ensure the proper identification and recruitment of new talent to join our organisation to contribute to the growth of our business. We are committed to provide equal employment opportunity for all employees. We take initiatives continuously to improve workforce diversity, provide equal employment opportunities and diminish discrimination. All employment decisions are based on business needs and job requirement regardless of age, race, gender, religion, nationality, marital status, pregnancy, disability or any other status protected by the local laws or regulations. The following constitutes our workforce breakdown by nationality.



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ Equal employment opportunity (Cont'd)



	FY2022	FY2023	FY2024
Staff voluntary turnover rate	22.5%	17.3%	23.2%

On average, 53% of our employees are local hires comparing to 47% of foreign hires. During the year, we have net hiring of total 723 new employees. We saw 2023 and 2024 as challenging years which businesses were compelled to step up retention effort because of the rising gig work industry, shift in job market expectation as well as labour shortages leading to rapid headhunt exercises.

➔ Utilisation of Contractors/Temporary Staff

During the year, UWC have hired 26 employees who are under contract basis. The contract basis employees' rate is 1% out of the total headcounts during FY2024. We limit our dependence on temporary workers to maintain stability and continuity in our operations while also upholding our stringent quality standards.

Employment Type	FY2022	FY2023	FY2024
Contracted/Temporary Staff	2%	1%	1%

We are committed to hiring strategies that focus on local talent and development. We have given precedence to recruit Malaysian in our workplace. We are actively participating in various initiatives to hire unemployed individuals, early school leavers, former prisoners, aborigines as well as people with disabilities. We had participated in the Resident Reintegration Programme for inmates from Pusat Pemulihan Penagihan Narkotik ("PUSPEN") as a socially responsible alternative to reduce reliance on replace foreign workers in last year. We also visited few several Aborigine's (Orang Asli) Villages in Cameron Highlands and offered employment opportunities to the aborigines in order to address the unemployment woes in rural area. We acknowledge that local hiring and skills development can generate significant economic benefits for the communities.



DISC Training - Unleash Inner Potential Towards Excellence Performance



Front Line Manager (FLM) Development Program

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ Utilisation of Contractors/Temporary Staff (Cont'd)



Management Training on 13 October 2023



Lean Awareness Training Programme

➔ New Hires breakdown by Gender, Age Group and Nationality

Here at UWC, we strive to improve inclusivity within the local communities we operate in. We have a “locals first” initiative where we prioritise hiring locals to foster a sense of community, strengthen local economies and ensure a workforce that understands the local market and culture. Our workforce does not include seasonal or part-time employees and we do not have any differently abled personnel.

New Hires	FY2022		FY2023		FY2024	
By Gender	Count	%	Count	%	Count	%
Male	828	78%	518	78%	721	78%
Female	240	22%	148	22%	198	22%
Total (By Gender)	1,068	100%	666	100%	919	100%
By Age Group	Count	%	Count	%	Count	%
<30	791	74%	456	68%	626	68%
30-50	267	25%	206	31%	269	29%
>50	10	1%	4	1%	24	3%
Total (By Age Group)	1,068	100%	666	100%	919	100%
By Nationality	Count	%	Count	%	Count	%
Malaysian	936	88%	429	64%	553	60%
Foreign worker	132	12%	237	36%	366	40%
Total (By Nationality)	1,068	100%	666	100%	919	100%

➔ Employee and Director breakdown by Gender and Age Group

To support the advancement of women into leadership roles, UWC offer leadership development activities and mentorship programmes tailored to the needs of highly potential female employees. A complete breakdown of our employees according to gender and employee categories can be found in the table below:

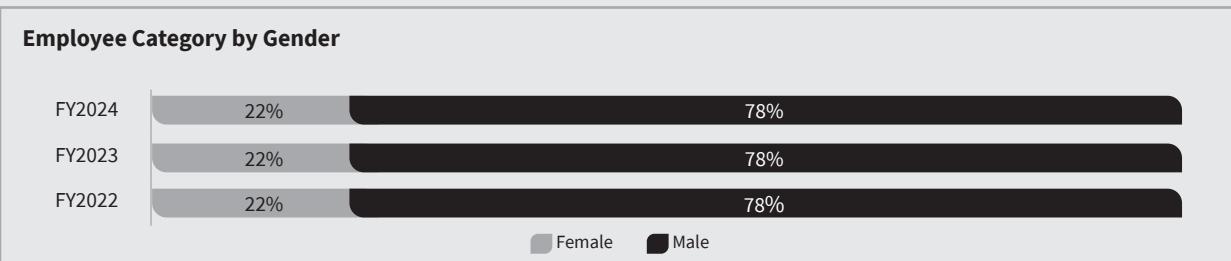
Employee Category by Gender	FY2022			FY2023			FY2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Management	17	49	66	20	58	78	24	73	97
Executive	125	269	394	125	322	447	159	385	544
Non-Executive	157	733	890	180	803	983	272	1,172	1,444
Grand Total	299	1,051	1,350	325	1,183	1,508	455	1,630	2,085
Percentage (%)	22%	78%	100%	22%	78%	100%	22%	78%	100%

SUSTAINABILITY REPORT (CONT'D)



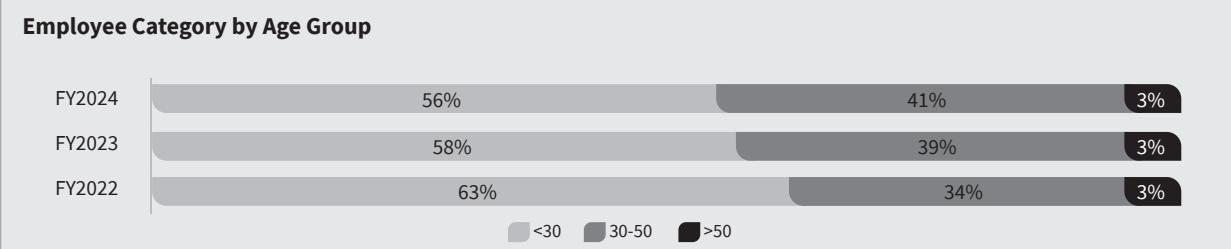
SOCIAL (CONT'D)

→ Employee and Director breakdown by Gender and Age Group (Cont'd)



Our workforce comprises a diverse range of employees, with a predominant age group falling below the ages of 30. The complete breakdown of employee categories by age group is as listed below:

Employee Category by Age Group	FY2022				FY2023				FY2024			
	Age Group (Years)											
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Grand Total	860	459	31	1,350	873	598	37	1,508	1,174	839	72	2,085
Percentage (%)	63%	34%	3%	100%	58%	39%	3%	100%	56%	41%	3%	100%



With respect to board diversity, 2 out of 6 current board members are female, which represents 33% of total board composition. Currently, the Board has not adopted a specific female representation target as part of its diversity policy. This exceeded the requirement of having at least 30% women Directors on the Board, as stipulated by Practice 5.9 of the MCCG. However, the Board remains committed to promoting diversity and inclusion in its composition and continues to evaluate opportunities to enhance diversity at all levels of the Group.

Director Breakdown by Gender ⁽¹⁾	FY2022	FY2023	FY2024
Female	20%	20%	33%
Male	80%	80%	67%

⁽¹⁾ Exclude alternate director in the calculation of the percentage of director by gender

In terms of age diversity of the board members, currently all board members are of age 30 and above.

Director Breakdown by Age Group	FY2022	FY2023	FY2024
<30	0	0	0
30-50	17%	17%	14%
>50	83%	83%	86%

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

→ **Employee development and talent retention**

We believe in empowering our employees by having in place a standard operating procedure for training and personal development. Providing appropriate training to our employees will inspire better customer service, productivity improvements, amplified efficiency and enhanced workplace safety practices. Ultimately, we hope to step up business performance and profitability together with positive staff morale.

We provide equal learning opportunities for all employee to learn precise skills or gain knowledge various training programmes. The training and development programmes are categorized as below:

Orientation	<ul style="list-style-type: none">One time programme to welcome new employees.The topics cover company overview, key corporate policies and conduct, overview of benefits and attendance, paperwork, health and safety procedures.Facility tour helps new employees to get acquainted with new workplace.
On-the-Job ("OJT") Training	<ul style="list-style-type: none">Focus on departmental goals by delivering the necessary skills, knowledge, and core competencies to new employees to perform the task efficiently.Mentoring Programme drives rich learning and development for both mentees and mentors.
Technical Skills Training	<ul style="list-style-type: none">It is job-specific training which focus on building employee's prerequisite technical skills and competencies relevant to his role, such as system development, business development, technical drawing and so on.Regular training is conducted to keep abreast of latest development.
Soft Skills Training	<ul style="list-style-type: none">Soft skill development training is carried out periodically to enable our employees to work together as a team for the benefit of their own and the organisation's success.The training module covers the topics such as leadership, communication, teamwork, collaboration, time management, problem-solving and etc..
Mandatory Training	<ul style="list-style-type: none">All employees are required to undergo Safety and Health Awareness Training, Anti-Bribery and Anti-Corruption Training and Intellectual Property Awareness Training.All employees are expected to discharge their respective duties in line with our standards and policies.
Online Talent Learning Management System ("LMS") Training	<ul style="list-style-type: none">All-in-one training platform implemented in January 2022 which complement classroom trainings.More than 400 training courses in various disciplines and aspects are available for knowledge enhancement.Ease of use and mobile friendly to create seamless learning experience through online, 24/7 anytime and anywhere.

We strive to provide professionally supportive working environment to develop and retain talent. We have six-month **Mentoring Programme** with objective to facilitate coaching which will give the new employees rewards of growth and professional development while giving them a sense of belonging and responsibility towards their roles. The mentor shall provide guidance, offer relevant advice and give feedback to the mentee. Simultaneously, it also helps to develop the mentor's management skills such as leadership through mentoring guidance and coaching. Reward will be given to the mentor as a token of appreciation for his mentorship to the new employees.

Underscoring the importance of continuous learning within the organisation, we empowered our managers for **Workplace Reading Programme** as an effective way to develop all our employees and enhance our UWC company culture. Continuous training and professional development programmes have helped to boost the technical knowledge and soft skills of our employees, positioning them in good stead to elevate the performance standard quality, which is necessary for the Group to meet the ever-changing needs of our customers.



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

→ **Employee development and talent retention (Cont'd)**

With the establishment of the 4 specialized academies (Assembly Academy, Machining Academy, Metrology Academy and Sheet Metal Academy) under the **UWC Academy**, we are gearing towards a holistic learning organization to equip every each of our valued staff not only with the related soft skills competencies, but also the necessary technical skills to complement their respective job functions.

UWC had also established the UWC Toastmasters Club with the intention of cultivating employees to become better communicator and leader. Participating club members are trained in public speaking for various scenario purposes and impromptu speeches to navigate daily conversations. We trust employees had benefited from the program and able to apply these developed skills in communication, leadership, language, organising and teamwork to execute jobs with increased effectiveness. UWC has sponsored our employees to participate the "USM Mini MBA Professional Master Program" with four continuous months of training and development. This program is delivered in a very highly engaging manner to unleash learner's potential for quick and big wins.

UWC trained staffs through curated internal or external development programs, OJT, comprehensive orientation, mandatory regulatory/compliance trainings, monthly seminars by prominent industry speakers, as well as open access to Talent-LMS on-line learning. During the year, total 6,659 courses were assigned to the learners through the Online LMS platform. A total of 65% courses had completed by leaners through the Online LMS platform.

All these initiatives are in-accordance with UWC's learning principle and practice - "Developing Tomorrow's Talents, Today".

UWC is dedicated to nurturing our employees to achieve excellence, which in turn fulfils the current and future needs of the Group. At UWC, we provide an all-around learning experience for our employees. We implement a comprehensive and systematic approach when designing the learning and development process.

To measure the effectiveness of our human capital investment, we track training hours and associated costs, comparing progress against internal and external benchmarks. Our target is to provide 20 hours of training per employee annually, ensuring a comprehensive approach to employee development. During the year, the total training hours achieved by UWC employees refer to 28,243 hours with 18.6 average training hour per employee during the year. UWC is working towards to achieve the base target of training hours which is stated as 20 hours per employee per year.

The table below showcases the breakdown of UWC's total and average training hours:

Number of total and average training hours/days participated by employees	FY2022	FY2023	FY2024*
Total Training Hours	48,871	-	28,243
Total training hours by employee category: -			
Senior Management			506
Management	-	-	3,073
Executive			13,378
Non-Executive			11,286
Average training hours by gender: -			
Male			18
Female			21
Average training hours by employee category: -			
Senior Management			56
Management	-	-	50
Executive			28
Non-Executive			12

* The data above is represented by UWC whole group in Batu Kawan, Penang; Matang and Kamunting Perak, except for the new subsidiaries, MCE and MCT, which were acquired in FY2024. Both subsidiaries' headcounts only represent 16% of the whole group, hence they are not significant to include.

SUSTAINABILITY REPORT (CONT'D)



SOCIAL (CONT'D)

→ Employee development and talent retention (Cont'd)

To respond to the development needs of our people and to develop their behavioural and technical skills, the following training and development programmes were among those carried out in FY2024:

- Leadership and Management
- Programmable Logic Controllers
- SOLIDWORK Course
- The 80/20 Rule Training
- HR Fundamentals
- Essential Project Management Application & Practices
- Forklift Safety Awareness and Competency Assessment
- Power BI
- Basic GD&T
- Blueprint Inspection Methodology
- Mechatronic Training
- Tolerance Stack Up Analysis
- Effective Communication and Effective Presentation Skills
- Lean Awareness for Revolution Training

→ Compensations and benefits

We adhere to the Employment Act, 1955 which is the main legislation governing labour matters in Malaysia. We ensure that employees' remuneration package meet the minimum wage requirement as stipulated by the Malaysian Minimum Wages Order 2022. We provide competitive remuneration packages and benefits to attract good talent. In addition to competitive remuneration package, we also provide Share Grant Scheme ("SGS") as a long-term incentive plan to motivate employees and align their interest with corporate objectives in order to work towards better performance with greater productivity and unwavering loyalty. SGS stimulates a stronger sense of belonging and dedication by giving the opportunity to participate directly in the equity of the company.

The benefits and privileges provided to our permanent full-time employees are as follows:

Statutory Benefits	Leave Provision	Employment Benefits	Employee Welfare Benefits	Facilities
<ul style="list-style-type: none"> • Adhere to minimum wages • Statutory contributions such as EPF, SOCSO, EIS and HRDF • Overtime payments • National and state Public Holidays 	<ul style="list-style-type: none"> • Annual leave • Paid medical leave • Hospitalization leave • Maternity leave • Marriage leave • Paternity leave • Compassionate leave • Examination leave 	<ul style="list-style-type: none"> • Share Grant Scheme • Overtime compensation • Telephone allowance • Mileage claim • Travel expense claims • Food subsidies • Outpatient medical benefits • Dental and/or optical claim • Group hospitalization and surgical insurance • Group Personal Accident Insurance • Health screening subsidy • Employee privilege programme • Long Service Awards 	<ul style="list-style-type: none"> • Wedding congratulatory gift • New-born baby gift • Employee recommendation reward 	<ul style="list-style-type: none"> • Car park • Cafeteria and Canteen • Dedicated parking space for disabled employees • EV charging station • Gymnasium • Hostel for operators • Personal lockers • Prayer rooms • Refurbished rest area • Transportation • Comfort Cove



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ Parental Benefits

UWC provides employees parental leaves in accordance with local laws and regulations. Aside from parental leaves, we also extend our warm congratulations to employees welcoming newborns into their families by providing the new-born baby gift as an expression of wishes for joy and happiness.

In FY2024, all of our employees were eligible for parental leave, with 13 female employees and 35 male employees took paid maternity and paternity leave respectively. During FY2024, a total of 100% of female and 100% of male employees returned to work after completing of their leave.

Parental Benefit	Unit	FY2022	FY2023	FY2024*
Number of employees entitled to parental leave: -				
Male	pax	179	262	265
Female	pax	242	298	305
Total	pax	421	560	570
Number of employees undertook parental leave: -				
Male	pax	24	35	35
Female	pax	8	13	13
Total	pax	32	48	48
Number of employees returned from parental leave: -				
Male	pax	23	35	35
Female	pax	6	13	13
Total	pax	29	48	48
Rate of return to work of employees who took parental leave: -				
Male	%	96	100	100
Female	%	75	100	100
Number of employees employed 12 months returning to work after parental leave ended: -				
Male	pax	17	27	32
Female	pax	2	8	11
Total	pax	19	35	43
Number of employees who resigned within 12 months after parental leave: -				
Male	pax	6	8	3
Female	pax	4	5	2
Total	pax	10	13	5
Retention rate and continue worked within 12 months after parental leave: -				
Male	%	74	77	91
Female	%	33	62	85

* The data above is represented by UWC whole group in Batu Kawan, Penang; Matang and Kamunting Perak, except for the new subsidiaries, MCE and MCT, which were acquired in FY2024. Both subsidiaries' headcounts only represent 16% of the whole group, hence they are not significant to include.

➔ Work-life balance

To promote a healthy working life, we believe in providing a balanced work-life environment to all our employees to enable them to have more time for their family and/or to pursue and advance their areas of interest. In this respect we do not advocate unproductive overtime work unless it is absolutely necessary such as to meet customer's order or regulatory deadlines. UWC adheres to the local labour laws on working hours by ensuring no excessive working hours through capacity building and workload distribution review. UWC has established UWC Sports Club as endeavour to look after employees' physical and mental health. The purpose of the club is to promote healthy life style after work. The club had organised Futsal, Badminton, Hiking, Table Tennis and Zumba sessions on weekly intervals as well an annual grand sports tournament. UWC Sports Club fostered great camaraderie and teamwork spirits amongst our employees.



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ **Work-life balance**

UWC opened two new facilities on first floor of UWC Cafeteria which are UWC Comfort Cove and UWC Gym during the year. These facilities are created and enhanced employee well-being and provide a dedicated relaxation area for relaxation, fitness and focus for better productivity.



UWC Comfort Cove



UWC Gym

➔ **UWC Sports Tournament**

UWC is cares about the well-being of our employees. UWC Sports Club was held several tournament events included table tennis tournament, futsal tournament, badminton tournament and many more. The relationship among employees is strengthen through these activities. Furthermore, the productivity of work from the employees might be improved. Through these teamwork activities, the relationship between employees from different departments, backgrounds and ethnicity were strengthen.



UWC Sports Tournament



UWC Futsal Tournament



UWC Hiking Tournament



UWC Badminton Tournament



UWC Table Tennis Tournament



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ **Health Screening Programme**

One of our concerns is the health of our employees. The PERKESO SEHATI Health Screening Program (HSP 3.0) was held on 26 July 2024, to raise awareness of health issues among our employees. This programme is offering free health screenings to workers for early detection of Non-Communicable Diseases (NCDs) such as diabetes, high blood pressure, cancer, and the risk of heart disease.



➔ **Team Building**

UWC believe that team building is able to enhance the levels of collaboration and communication, bonding people closer together meaningfully, and positively recharge our employees. By catering time-off for employees to relax and spending quality moments with each other beyond office hours, we aim to cultivate a high performance corporate culture where employees will enjoy coming to work, trusting each other under common objectives and challenge their very best. UWC has organized the Summer Team Building Picnic. This is a wonderful opportunity for our employees to relax, have fun, and strengthen our team bonds in a beautiful outdoor setting. It was an incredible day filled with fun, laughter and teamwork.



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ **UWC Raya Bazaar**

UWC has outdone itself by hosting a sensational Raya Bazaar. From mouth-watering delicacies to refreshing beverages, our multi-talented team has truly outshone themselves. The aroma of their creations fills the air, adding to the festive atmosphere of our bazaar. It is heart-warming to see everyone coming together, enjoying the festivities and each other's company. In conjunction with Hari Raya, we are organizing a Hari Raya decoration competition - UWC Blending Raya Traditions at Work. This competition encourages our employees to collaborate with their teammates to brainstorm ideas, pool resources, and bring the collective vision to life.



➔ **UWC Chinese New Year**

UWC joyfully celebrated the Chinese New Year, embracing the festive spirit with a range of traditional activities. This celebration highlighted UWC's appreciation for cultural diversity and provided an opportunity for colleagues to connect and strengthen their relationships in a warm, welcoming environment. The event marked a meaningful start to the new year, filled with hope and good fortune.



➔ **UWC Deepavali**

UWC celebrated Deepavali with a lively event that embraced the spirit of this Festival of Lights. The celebration featured an array of delicious Indian dishes and sweets, encouraging sharing and connection among everyone present. This festive occasion highlighted UWC's dedication to cultural diversity, fostering a sense of community and togetherness as colleagues came together to honour this significant occasion.



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ **Human and labour rights**

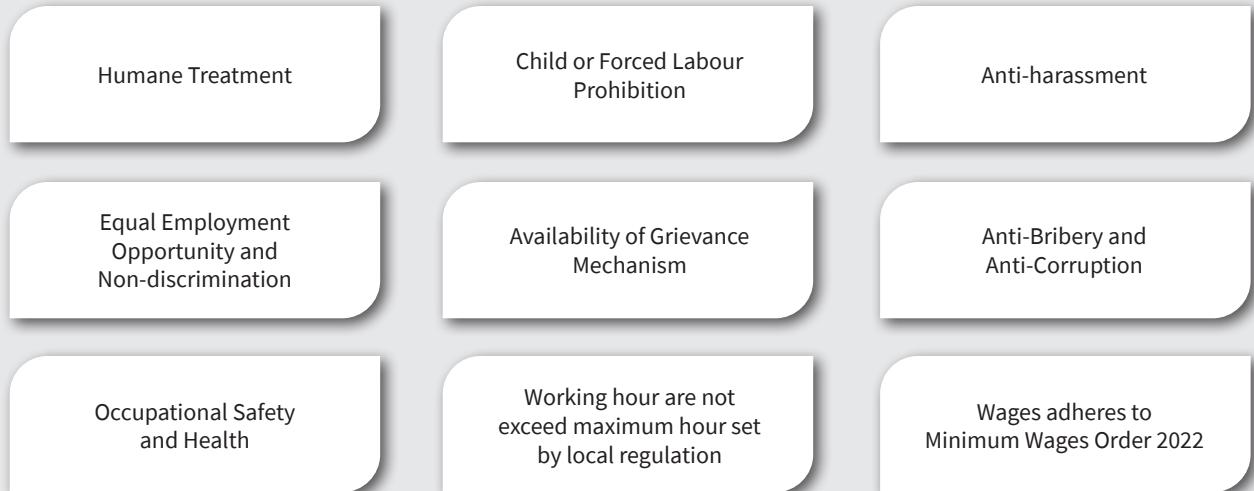
Basic human rights shall be universally protected by any responsible business. We are committed to uphold human rights and support the protection of internationally proclaimed human rights. This includes applying the principles outlined in the United Nations Guiding Principles ("UNGPs") on Business and Human Rights, OECD Guidelines for Multinational Enterprises and the International Bill of Human Rights. We review our dedication to human rights through a constantly adapting and improving due diligence process. We closely monitor social developments, regulatory updates and conduct risk assessments to identify actual and potential impacts on human rights. In the reporting period, we analysed our activities designed to implement human rights in order to identify potential for improvement. We took both stakeholders' expectation and regulatory requirements into considerations. Human rights due diligence approach taken are:

- ✓ Ensuring effective grievance mechanisms are in place;
- ✓ Addressing our impacts via clearly defined responsibilities, management process and measures; and
- ✓ Tracking and communicating performance via our sustainability report and website.

Our human rights governance is led from the top, overseen by our Deputy CEO with the support by the Sustainability Committee. At a strategic and operational level, human rights work is led by our Human Resources Manager while internal audit team monitors third-party compliance to the mandatory standards and regulations.

We are mindful to engage stakeholders in our long-term effort developing an ecosystem that supports human rights, these includes our Business Development team's communication to receive customers' expectation which we recorded formally and adopt into our Code of Conduct policy to support compliance, similarly we convey the same to our suppliers and consultants through our procurement policy and related procedures.

Our human rights due diligence obligations are guided by the Code of Conduct. In order to identify potential improvements, our Human Resources team consult internal parties to formally gather their feedback that are then used to revise the Code of Conduct. Our human rights practices are clearly stated in our Code of Conduct and Employee Handbook and all employees are expected to adhere to these high standards that enshrines the following:



We commit to the UN Guiding Principles for Business and Human Rights, the ten principles of the UN Global Compact and the core labour standards of the International Labour Organization ("ILO"). UWC rejects any form of human rights violations such as child and forced labour or discrimination based on racial/ethnic origin, colour, or gender. This claim applies to all employee, all business partners and goes beyond compliance with local legal provisions.

UWC support and shown our commitment to children's rights other than child labour through aligning with the Human Right Policy and United Nations Convention on the Rights of the Child. The convention includes children's rights to a safe, clean, healthy, sustainable environment and the right to an education level. UWC supporting and collaborating with local communities and is actively promoting local development projects including school, university and other community settings. With a focus on children's right education, UWC supported education across the community by setting up education center as well as donating computers to public schools in need amongst others. UWC will commit to engage more activities in the future.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ **Human and labour rights (Cont'd)**

We are also systematically implementing measures to prevent or mitigate potential or actual human rights violations in the future by developing and implementing Child Labour Policy. We will not tolerate the use of child or forced labour under no circumstances. We have never employed any children below the age that set by Children and Young Persons (Employment) Act 1966 and Children and Young Persons (Employment) (Amendment) Act 2010. None of the employee has been employed by our company in the various forms of debt bondage or human trafficking such as restrictions on freedom of movement, withholding of wages or identity documents. In addition to that, UWC respects the rights of local communities and is actively promoting local development projects for the benefit of these communities, with a focus on children's right to education. The company is committed to implement measures to prevent or mitigate potential or actual human rights violations in the future.

We maintain a working environment with zero-tolerance towards unethical labour practices. Accordingly, we strictly prohibit conduct that constitutes or that could lead to or contribute to harassment based on age, race, gender, religion, nationality, marital status, pregnancy, disability or sexual orientation. The Sexual Harassment Policy is available to all our employees and we ensure that our employees are briefed and aware of this policy. We do not abide with any conduct of discrimination or harassment when dealing with employees, customers or supplier in our company. Moreover, briefing of sexual harassment, discrimination and bullying topic are provided to newly joined employees during their orientation. Furthermore, the briefing has been provided to the existing employees through the annual Townhall meeting to raise awareness within the corporation.

Our Code of Conduct outlines our expectations in terms of labour standards and human rights. This is provided and communicated to all our stakeholders, both internal and external.

➔ **Grievance mechanism and remediation**

Internal and external stakeholders can report suspected human rights violations or any concerns related to human rights through an unfiltered grievance mechanism, which is aligned with the Whistle Blowing Policy. The identity of reporter/whistle-blower is kept confidential. We dedicate to address all reports and complaints received through such procedures with careful consideration. All the grievances or complaints on human rights from our stakeholders will be duly investigated for prompt resolution and we committed to remedy the affected parties where it has been identified that it has caused or contributed to human rights impacts.

During the year, no cases have been reported in terms of non-compliance to human rights (covering the following issues: forced or child labour, discrimination, harassment incidents, or grievances) and labour standards.

➔ **Career path**

In order to retain our talents, we provide opportunities for high-potential employees to develop and progress to senior positions in the Group. Regular performance appraisals are conducted. Priority is given to existing employees for promotion opportunities than new hire.

➔ **Employee engagement**

UWC is committed to the highest standards of integrity, openness and accountability. In engaging our employees, we employ a "two-way" approach where we give opportunity for the employees to make known their grievances and also to give suggestions to improve or resolve their concerns and unhappiness through monthly employee meetings. We engage with our employees through formal and informal mechanisms. The employees may disclose any improper conduct within UWC, including misconduct or criminal offences, through UWC's established internal Grievance e-Form, employee voice portal or writing.

The internal Grievance e-Form is anonymous so that the respondent can give honest feedback without worrying about the repercussions. Any individual or group who are affected by business operations are encouraged to use these channels to speak any concerns and complaints.

We seek to understand the needs of the people and therefore quarterly conduct employee surveys. These surveys are an integral component of our corporate feedback culture. They facilitate open communication between managers and employees to identify improvement opportunities and showcase areas where we have listened, learned and evolved. Every year, we conduct confidential and voluntary employee surveys between our employees, managers and leaders provides valuable information for improving the working environment and business processes. During the year, our employees are highly engaged with the company. These initiatives include monthly mood checks on employee well-being and surveys about specific areas for improvement such as our working conditions, systems and processes.



SUSTAINABILITY REPORT (CONT'D)



SOCIAL (CONT'D)

→ **Employee engagement (Cont'd)**

We endeavour to promote employee diversity and inclusion. UWC also embraces Malaysia's multicultural background by having employees regardless of ethnicity and races. As part of the effort in promoting multicultural harmony, all of our employees participate in multicultural celebrations together in UWC. We embrace diversities by celebrating the various major festivals with our employees to promote understanding of each other's culture and thereby creating harmony, peace and joy in our organisation. The major festivals celebrated by UWC with our employees are in conjunction with Hari Raya Aidilfitri, Chinese New Year, Deepavali and Christmas Day.

→ **Recognition Awards**

As an ongoing initiative to appreciate contributions by our employees, UWC rewards special gift items to employees with outstanding performances. During the UWC Outstanding Achievers Award ceremony, a total 111 employees were being recognised. The same was extended to UWC managerial staffs as they surpassed goals set and played pivotal roles in elevating the company onto next level of business scale, thus bringing UWC one step closer towards its' long-term mission.

→ **Appreciation Dinner**

UWC proudly organized its' 33rd Anniversary Appreciation Dinner at PICCA Convention Centre within Butterworth Arena. This annual event serves as a needed pause in time for all to reflect on past achievements, show appreciation for dedication demonstrated, coming together to celebrate accomplishments and milestones achieved together. UWC also presented long service awards to employees who stayed on with the company since past many years of which their loyalty is what make our company thrived.

→ **Safety and Health Management**

Safety and health management is a priority for UWC in our business operations and workplaces as we identify any issues arising as relevant and important to the sustainability of business. This commitment towards health and safety is applicable to all stakeholders, including employees, customers, visitors, tenants, contractors and suppliers. Safety, Health, Electrical and Environment Policy is made available to all relevant parties (including contractors and external stakeholders) on our website. The policy is to plan and organize our work and facilities which will ensure to maintain our operations in a healthy, safe and orderly manner.

Upholding Occupational Safety and Health

We have complied to the best of our ability the existing laws and regulations relevant to our operations such as Occupational Safety and Health Act, 1994, Environmental Quality Act, 1974, Factories and Machinery Act, 1967, Fire Services Act, 1988 and Prevention and Control of Infectious Diseases Act 1988.

Some of the more important measures which we have implemented to complement the compliance of the aforementioned laws and regulations establish to oversee and monitor ongoing safety, health, electrical and environmental initiatives are:

- Established a Safety, Health and Environmental sub-Committee.
- Giving priority to continuous effort to occupational ill health and accident prevention.
- Training towards effective supervision by assigning clearly to each supervisor his/her responsibilities
- Continuously minimize work hazards and environmental pollution.
- The training of subordinates in the proper use of equipment and safe working practices.
- The development of electrical, environmental, health, and safety consciousness.
- Securing full cooperation of all employees for the attainment of these objectives.
- To comply with all relevant electrical, environmental, health, and safety rules and laws of Malaysia and other requirements.

A sub-committee namely Safety, Health and Environment ("SHE") Committee is established to lead the health and safety management process in the Group, including strategy, SHE metrics, and reviews progress through periodic audit and assessments. The SHE Committee comprises of the Group Chief Operations Officer, Dato' Lau Chee Kheong as the chairman and who is also an Executive Director of the Company and sits on the Board, SHE Officer as the secretary as well as both management and employee representatives. The chairman is responsible to devise and oversee the implementation of SHE Committee programmes and management of EHS risks.

Bi-monthly meeting is conducted by the SHE Committee to monitor the effectiveness of SHE management, review Occupational Safety and Health ("OSH") programme and discuss the issues on workplace safety and health, injury incidents, internal audit and compliance with relevant rules and regulations, continuous improvement and so forth. The SHE Committee meeting minutes are properly recorded to measure progress on OSH programme. The SHE Committee also conducts periodic internal and external audits to verify the effective implementation of the SHE programmes and conformance to safety and health standards.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ **Safety and Health Management (Cont'd)**

OSH Risk Assessment

The health and safety of employees and tenants are protected by identifying risks, developing solutions and encouraging participation. The risk assessment for OSH management is driven by the Hazard Identification, Risk Assessment and Risk Control ("HIRARC"). The risk assessment is done at least once in a year for existing operations, and as and when required for potential new projects as part of the UWC's due diligence. The risk assessments are conducted based on the relevant rules and regulations such as Occupational Safety and Health Act 1994. Regular inspection and periodic audit are carried out to ensure compliance to safety standards. Performance monitoring results and trends are benchmarked against the UWC targets.

We view health and safety issues as relevant and important to the sustainability of business and therefore ensure UWC's stand on health and safety also applies to contractors and stakeholders. We engage with our suppliers or contractors via the Supplier, Contractor and Sub-Contractor Safety, Health and Environment Compliance Rules Forms ("SHE Compliance Form") regarding the safety related issues. All suppliers or contractors are required to acknowledge the SHE Compliance Form which includes compliance to OSH Policy. They are obliged to strictly adhere the safety procedures in place when performing work in UWC premises.

Training is fundamental to raise awareness and prevent workplace accidents. Our goal is to build safety awareness and competencies with **Safety & Health Awareness Training** covering various topics including, among others, chemical safety and health awareness, chemical handling, air hose safety, machine guarding, stacker safety driving and safe work practices. All employees are accountable and responsible for adhering to the safety and health guidelines. During the year, 1,065 staffs has been trained on health and safety standards.

Monitoring Safety and Health Performance

We are pleased to report no recorded cases for work-related fatalities among employees, contractors and customers occurred within UWC during the year, which is below National Occupational Fatality Rate at 2.05 per 100,000 workers in the Year 2023, according to statistics by the DOSH.

The work-related incidents are reported as below:

	FY2022	FY2023	FY2024
No. of work-related illness	0	0	0
No. of injury incidents - Own staff	4	1	2
No. of injury incidents - Onsite contractor and suppliers	0	0	0
No. of fatal incidents - Own staff	0	0	0
No. of fatal incidents - Onsite contractor and suppliers	0	0	0
Lost Time Injury Frequency Rate ⁽¹⁾	1.21	0.24	0.42

⁽¹⁾ Lost Time Injury Frequency Rate ("LTIFR") is calculated based on the formula as in line with the guideline issued by DOSH:
 $LTIFR = \text{No. of reported accidents} / \text{Total man-hours worked} \times 1,000,000$

UWC is committed continue to achieving the following annual target for FY2024 among our employees and contractors:

- ✓ To achieve annual Loss Time Accident (LTA) occurrence rate below 3 cases.
- ✓ To achieve monthly Non-Loss-Time Accident/Incident Occurrence rate below 3 cases.

In order to achieve this, we continuously seek to improve the Group's safety and health management systems.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ **Safety and Health Management (Cont'd)**

Incident Response and Reporting

The SHE Committee has in place an Incident Investigation, Non-Conformities and Corrective & Preventive Action Request ("CPAR") Procedure to guide employees on the steps to take in the event of incidents (including accidents) and reporting any actual or potential non-conformities or unsafe work condition and process. The SHE Committee is responsible for the incident inspection, evaluation and reporting to ensure that the root cause of the incident is promptly analysed and effective actions are taken to prevent the recurrence of the incident.

Employee reports accident, dangerous occurrence and near miss or hazard to SHE Committee.

SHE Officer and the relevant head of department ("HOD") complete and submit investigation report to SHE Committee Chairman within 3 to 7 working days of occurrence depend on severity.

The HOD and SHE Committee conducts investigation, discuss and identify the corrective action and preventive action needed.

The HOD complete Corrective & Preventive Action Request ("CPAR") Form issued by SHE Officer and implement corrective and preventive actions.

SHE Committee review effectiveness of actions regularly until desired goal is met.

Type of Injury	Causes	Corrective Action
Left arm dislocated and bone fracture from falling from height by maintenance staff	Fall from height during using ladder due to not practising buddy system.	<ul style="list-style-type: none">Has given refresher training to all maintenance staff on working at heightWorking at height safety using ladder has been included in the SHE induction briefing to new staff
Right Index Finger hit by stacking machine	Incorrect holding position of the part, combined with the punch descending when the foot pedal was pressed, resulted in the metal components striking the worker's finger.	Refresher training was provided, and urge the workers to inform their supervisor for verification if they are using a different method

➔ **Local Communities**

We see ourselves as part of society both at our individual sites as well as being a worldwide citizen. Our aspiration is to help shape society through our products, technologies and community engagement. Accordingly, we work with our employees to promote a diverse range of social initiatives that help tackle challenges at the local level. We believe in the philosophy of giving back to society to show our gratitude and appreciation for our success. In giving, we strengthen the local communities which in turn will contribute to nation building to become more stable, henceforth support future businesses through well-funded infrastructure and high-quality talent pool.

We are deeply committed to supporting the communities in which our sites are located. In this context, we focus on socio-economic development, education and direct community support. All of these add social value to our business activities, encouraging social advancement and providing a response to the needs of the main stakeholders. Moreover, we provide disaster relief and offer financial support to the people in need in the vicinity of our sites.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

→ **Education and employment opportunities**

UWC promote culture and education. This has a long tradition within our company. We champion creativity, the joy of discovery and curiosity as well as the courage to push boundaries. That is why we award scholarships and promote practice-oriented curricula.

The UWC Scholarship Fund was established in 2017 to provide eligible students pursuing diploma courses in the engineering fields at Penang Skills Development Centre (“PSDC”). The scholarship agreement with PSDC up to RM100,000 per year has been further extended 3 years from March 2023 to March 2026. Meanwhile, we also provided scholarship to other educational institutions such as UOW Malaysia KDU Penang University College (“KDU”), University of Malaya and Wawasan Open University the courses covered from certificate to degree level. In FY2023, UWC awarded scholarship amounting to total RM210,000 to 8 students who study in different courses and fields such as electrical engineering and mechatronic engineering.

Besides, collaboration with Technical and Vocational Education and Training (“TVET”) institutes has provided employment opportunities to potential students to work in our Group. Through the school-industry smart partnership under Talent Retention Programme, we target Form 5 vocational inclined students from low-income families and equipped them with basic industrial relevant mechatronics skills in Engineering. The candidates are integrated into the company after SPM and continue with TVET dual education and training programmes. In FY2024, we sponsor 36 students with sponsorship amount up to RM281,700 to support them pursue certificate or dual program (certificate and diploma) under TVET scholarship programmes.

We are delighted to announce the success of a transformative internal training program designed to empower all of our employees to reach new heights of excellence and unlock their true potential. We are incredibly proud of each and every one of our TVET for embracing this transformative journey and investing in their personal and professional growth. This training was not just about acquiring knowledge but about empowering them to embrace their true potential. We are confident that each one of our TVET will go on to achieve remarkable success and make a positive impact in your chosen fields.

UWC has also signed Memorandum of Understanding (“MOU”) with Manipal International University (“MIU”) and Tunku Abdul Rahman University College (“TAR UC”) on 18 March 2022 and 15 July 2022. This is to establish collaboration and explore opportunities to develop programme and support student recruitment which upon graduation in embarking a career opportunity with UWC. The research, educational and training programs in the fields sought that will be beneficial to both Parties. Moreover, UWC had signed Memorandum of Understanding with University Tunku Abdul Rahman (“UTAR”) on 1 December 2022. The collaboration is to initiate joint projects involving collaborative research and share expertise, facilitate exchanges of ideas and facilities between the Parties.

Furthermore, UWC also signed Education Sponsorship Collaboration Agreement with University Tunku Abdul Rahman (“UTAR”) and Hua Lian High School on 13 April 2023 for sponsor to maximum 4 students per year to pursue the programmes of study in Bachelor of Electronic Engineering with Honours, Bachelor of Industrial Engineering with Honours, Bachelor of Technology (Honours) in Industrial Management and Bachelor of Technology (Honours) in Electronic Systems.

On 1 July 2024, UWC has signed MOU with Wawasan Open University (“WOU”). Our employees and their immediate family members are eligible for a discount on course fees. This initiative encourages our employees to enhance their skills, new qualifications, or broaden their knowledge. We believe in investing in our employees' growth and development, and this discount is just one way we support your continuous learning journey.

UWC had attended the ASEAN-India Grassroots Innovation Forum (“AIGIF”) at the Langkawi International Convention Center, witnessing the exchange of a MOU between YAYASAN, Bioeconomy Corporation and UWC Berhad. This event marks the establishment of a collaborative partnership with MOSTI as strategic industry allies to foster talents develop on Science, Technology and Innovation. This impactful initiative was inaugurated by the Minister of Science, Technology and Innovation (“MOSTI”), Tuan Chang Lih Kang through the National Employment Council (“NEC”).

Furthermore, UWC had attended the formation of a MOU with the Malaysian Universities Consortium in E&E to support the implementation of MOHE Research and Industry Incubator (“MRI3”). MOHE has formed the Malaysian Universities Consortium in Electrical and Electronics (“E&E”) with the aims to support the MRI3 to develop talents with sharp-skill and smart-skill according to the needs of the E&E industry, which requires skilled workers in the field that would include undergraduate and post-graduate students.

During the year, UWC has joined forces with Jabatan Pendidikan Politeknik dan Kolej Komuniti (“JPPKK”). This collaboration marks a pivotal moment in promoting polytechnics as dynamic centers for reskilling and upskilling initiatives. Moreover, UWC also have collaborations with Kolej Vokasional Nibong Tebal. Through the collaboration, both parties have agreed to enhance cooperation and collaborative relationships in the use of human resources and expertise.



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ ***Education and employment opportunities (Cont'd)***

UWC also organized an Engineering Insight Day for the tertiary institutions, UTAR and KDU by offering their students a glimpse into the intriguing world of engineering. The event involved a series of purposeful activities including workshops, interviews and networking whereby UWC engineers were on hand to walk the students through the working life within UWC. The new-found exposure reinforced the students' awareness about workplace etiquette beyond academia.

During the year, UWC is one of the pioneer academies in the country that has been accredited the National Dual Training System ("SLDN"), where we are the pioneer in Malaysia to establish Academy in industry. UWC SLDN Accredited Centre was launched on 12 January 2023 by Malaysia Productivity Commission. The SLDN programme offered by UWC has obtained recognition by the Malaysian education, International Trade and Industry, and Department of Skills Development (JKP). SLDN is a work-and-study scheme built upon the Academy in Industry (AiI) concept which encompasses practical trainings and theoretical learning within the training centre.

The SLDN program has also involved several talents of the Group to launch the program. The program is led by the Accredited Centre Manager & Trainer, Coordinator, Trainers and Coaches. The students who enrol in the programme will receive an allowance. The apprentice who completed the training will be awarded Malaysia Skills Certificate (SKM) Level Two and Three. The core objective of the SLDN is to produce a knowledge worker (K-Workers) which means that employee who possess three elements of competencies which are technical, social & humanitarian and methodologies & learning. By having the certificate, SLDN graduates are able to land a job with the technical skills obtained during the study or elect to pursue a higher level of study. UWC have 20 apprentices took part in the programme, 2 trainers and 2 coaches lead the programme.

We also offer internship programme in order to bring highly qualified and motivated students with diverse education backgrounds into our company to work. The internship programme provides the students an environment to acquire knowledge and skills with practical experience. During the year, we offer internships to 67 students in various department that relevant to their course of study.

Further, we have established an Education Center at Politeknik Malaysia in Seberang Perai whereby once every two weeks our senior technicians give lectures to students. This has allowed us to partner formative agencies that produce potential employees that are relevant to the workforce.

Moreover, we have organized UWC Industry Insight Day for high-school students that undergoing final year or penultimate year to experience working in the factory for a day. On top of that, to motivate students in Science, Technology, Engineering and Math ("STEM"), we bring along these students' parents to join UWC Industry Insight Day, whereby the parents will be able to observe actual factory operation throughout the day.

A major part of our community investments includes providing internships and scholarships to students in the areas STEM. Given our company's strong focus in manufacturing and engineering, we believe in aligning our community investments to harnessing potential talent in these areas. We hope that the community investments provided by our organization can support future employment, while providing us with a potential pipeline of talent.

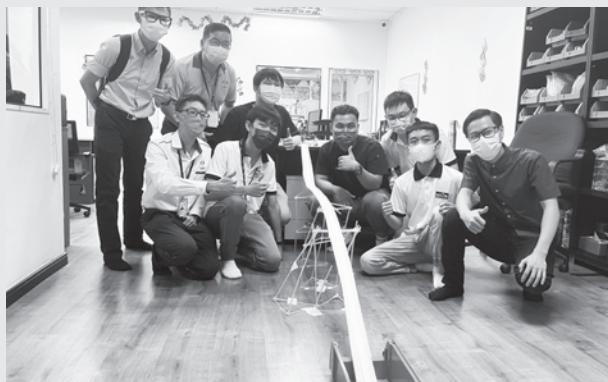


UWC Industry Insight Day with Parents

SUSTAINABILITY REPORT [CONT'D]

SOCIAL (CONT'D)

➔ *Education and employment opportunities (Cont'd)*



UWC Industrial Day for UTAR Engineering Students



Industrial Visit from UOW Malaysia KDU Penang on 15 November 2022

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

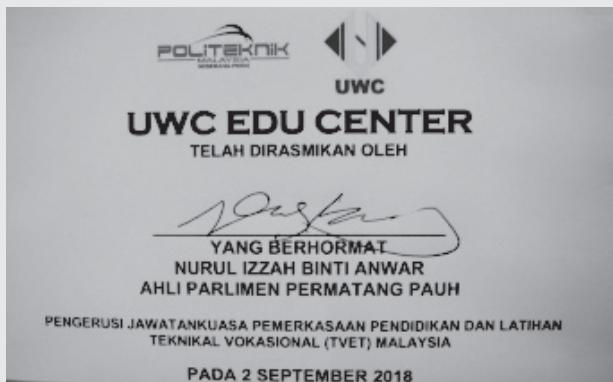
➔ ***Education and employment opportunities (Cont'd)***



UWC SLDN Accredited Centre - 1st Batch



UWC Scholarship Fund established in 2017



UWC Education Center at Politeknik Malaysia in Seberang Perai



Memorandum of Understanding with MIU on 18 March 2022



Memorandum of Understanding with TAR UC on 15 July 2022



Memorandum of Understanding with UTAR on 01 December 2022



UWC SLDN Accredited Centre was launched on 12 January 2023

SUSTAINABILITY REPORT [CONT'D]

SOCIAL (CONT'D)

➔ **Education and employment opportunities (Cont'd)**



Education Sponsorship Collaboration Agreement with UTAR and Hua Lian High School on 13 April 2023



Memorandum of Understanding with YAYASAN, Bioeconomy Corporation on 30 November 2023



Memorandum of Understanding with Malaysian Universities Consortium in Electric & Electronics



Memorandum of Understanding with JPPKK on 4 December 2023

➔ **Corporate social activities**

UWC is committed to make a positive impact on society through multiple corporate social activities such as charity donations and fundraising.

Charity Donation

UWC donated RM2,500 to the Federation of Malaysian Manufactures ("FMM") for the FMM Penang 54th Anniversary Dinner. Moreover, UWC sponsored RM2,400 to Yayasan Amal Tuan Yang Terutama Yang di-Pertua Negeri Pulau Pinang for the "1 million Tree Planting Program within a day in Penang" in conjunction with the Earth Day 2024. UWC also donated RM686 to Singtel-Singapore Cancer Society Race Against Cancer for the sport events. Besides, UWC also sponsored to some of the organization to support their events or activities during the year. These donations are helping the development of the local communities in various aspects including sports, educations and costs of living. UWC look forward to these donations help to provide and develop better living standards and education system for the communities.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

➔ **Corporate social activities (Cont'd)**

Fundraising Campaign

UWC efforts extend to supporting those in need through employee volunteerism initiatives and charitable fundraising events. UWC organised a company-wide fundraising event to make donations to support the aid and relieve initiatives for our colleague, who was involved in an accident when commuting back after work. Furthermore, UWC has organized a fundraising initiative to support one of our employees who lost their home in a fire and is currently facing financial difficulties.



We regularly evaluate the achievement of objectives and the impact of our projects. Our goal is to ensure that our community engagement continues to have a positive impact on society. For this reason, we are constantly working to make the sustainable impact of our projects (outcome and impact) measurable for the respective target groups.

Conclusion

Going forward, we will continue to strengthen our sustainability development efforts by revisiting and reassessing the identified material sustainability matters ("MSM") for recalibration if necessary, and to identify new MSM for action.

We are committed and serious in our sustainability practices to bring our Group to the next level of excellence giving assurance to our business continuity and value creation and at the same time to fulfil the UN SDGs so as to make the world a better place for mankind.

SUSTAINABILITY REPORT (CONT'D)

Performance Data Table from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-executive/Technical Staff	Percentage	100.00	100.00	100.00
General Workers	Percentage	-	-	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	230,000.00	36,000.00	5,586.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4	4	3
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.00	0.00	0.00
Management Between 30-50	Percentage	4.00	4.00	4.00
Management Above 50	Percentage	1.00	1.00	1.00
Executive Under 30	Percentage	17.00	16.00	13.00
Executive Between 30-50	Percentage	11.00	12.00	12.00
Executive Above 50	Percentage	1.00	1.00	1.00
Non-executive/Technical Staff Under 30	Percentage	46.00	42.00	37.00
Non-executive/Technical Staff Between 30-50	Percentage	19.00	23.00	19.00
Non-executive/Technical Staff Above 50	Percentage	1.00	1.00	1.00
General Workers Under 30	Percentage	-	-	6.00
General Workers Between 30-50	Percentage	-	-	6.00
General Workers Above 50	Percentage	-	-	0.00
Gender Group by Employee Category				
Management Male	Percentage	4.00	4.00	4.00
Management Female	Percentage	1.00	1.00	1.00
Executive Male	Percentage	20.00	21.00	18.00
Executive Female	Percentage	9.00	8.00	8.00
Non-executive/Technical Staff Male	Percentage	54.00	53.00	47.00
Non-executive/Technical Staff Female	Percentage	12.00	13.00	10.00
General Workers Male	Percentage	-	-	9.00
General Workers Female	Percentage	-	-	3.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	80.0	80.0	67.00
Female	Percentage	20.0	20.0	33.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	17.00	17.00	14.00
Above 50	Percentage	83.00	83.00	86.00

SUSTAINABILITY REPORT (CONT'D)

Performance Data Table from Bursa Malaysia ESG Reporting Platform (Cont'd)

Indicator	Measurement Unit	2022	2023	2024
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	6,970.09	7,329.64	9,149.80
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.21	0.24	0.42
Bursa C5(c) Number of employees trained on health and safety standards	Number	677	435	897
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	-	-	3,579
Executive	Hours	-	-	13,378
Non-executive/Technical Staff	Hours	-	-	11,286
General Workers	Hours	-	-	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.00	1.00	1.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	5	6	5
Executive	Number	50	30	80
Non-executive/Technical Staff	Number	343	157	82
General Workers	Number	-	-	29
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	85.00	86.00	77.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	147.550000	164.920000	144.080000

Internal assurance	External assurance	No assurance	(*) Restated
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SUSTAINABILITY REPORT [CONT'D]

Appendix 1 – GRI Content Index

GRI Standard	Disclosure	Location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 2 to 3
	2-2 Entities included in the organization's sustainability reporting	Page 33
	2-3 Reporting period, frequency and contact point	Page 33
	2-5 External assurance	Page 34
	2-6 Activities, value chain and other business relationships	Pages 9 to 14
	2-7 Employees	Pages 49 to 52
	2-8 Workers who are not employees	Page 50
	2-9 Governance structure and composition	Pages 16 to 22, 25 to 26 and 34
	2-10 Nomination and selection of the highest governance body	Pages 29, 85 and 86
	2-11 Chair of the highest governance body	Pages 16 to 22
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 27 to 32
	2-13 Delegation of responsibility for managing impacts	Pages 28, 34 and 35
	2-14 Role of the highest governance body in sustainability reporting	Pages 28, 34 and 35
	2-15 Conflicts of interest	Pages 16 to 22, 25 to 26, 31 and 83
	2-16 Communication of critical concerns	Pages 43, 60 and 61
	2-17 Collective knowledge of the highest governance body	Pages 23, 28 and 29
	2-18 Evaluation of the performance of the highest governance body	Pages 30, 34, 87 and 88
	2-19 Remuneration policies	Pages 30 to 31
	2-20 Process to determine remuneration	Pages 30 to 31
	2-22 Statement on sustainable development strategy	Pages 8, 37 and 38
	2-23 Policy commitments	Pages 40, 60 and 61
	2-24 Embedding policy commitments	Pages 40, 60 and 61
	2-25 Processes to remediate negative impacts	Pages 43, 60 and 61
	2-26 Mechanisms for seeking advice and raising concerns	Pages 43, 60 and 61
	2-27 Compliance with laws and regulations	None
	2-28 Membership associations	Page 36
	2-29 Approach to stakeholder engagement	Page 36

SUSTAINABILITY REPORT (CONT'D)

Appendix 1 – GRI Content Index (Cont'd)

GRI Standard	Disclosure	Location
IT Security and Data Privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 41
Anti-corruption		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Page 43
Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 47 and 48
GRI 306: Waste 2020	306-3 Waste generated	Pages 47 and 48
	306-5 Waste directed to disposal	Pages 47 and 48
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 48 and 49
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Pages 48 and 49
	303-3 Water withdrawal	Page 49
	303-5 Water consumption	Page 49
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 49 to 56
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 51 and 52
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 55
	401-3 Parental leave	Page 56
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 54
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 53 to 55
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 62 to 64
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 62 to 64
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 62 to 64
	403-9 Work-related injuries	Page 63

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“Board”) of UWC Berhad (“UWC”) is pleased to present its Statement on Risk Management and Internal Control (“Statement”) for the financial year ended 31 July 2024 (“FYE 2024”). This Statement is presented and disclosed pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Malaysian Code on Corporate Governance.

BOARD’S RESPONSIBILITIES

The Board acknowledges its overall responsibility for maintaining a sound risk management and internal control system for the Group to safeguard the shareholders’ investment and the Group’s assets, and to discharge their stewardship responsibilities in identifying and reviewing risks and ensuring the implementation of appropriate systems to manage these risks. While the Board has delegated its oversight role in risk management and the internal controls function to the Audit Committees (“AC”) and Risk Management Committees (“RMC”) which comprised solely of Independent Non-Executive Directors, the Board understands the principal risks of the business that the Group is engaged in. The AC reviews the adequacy and effectiveness of internal control systems. The RMC is responsible for overseeing on risk management framework and practices to ensure prudent risk management over UWC’s business and operations.

RISK MANAGEMENT

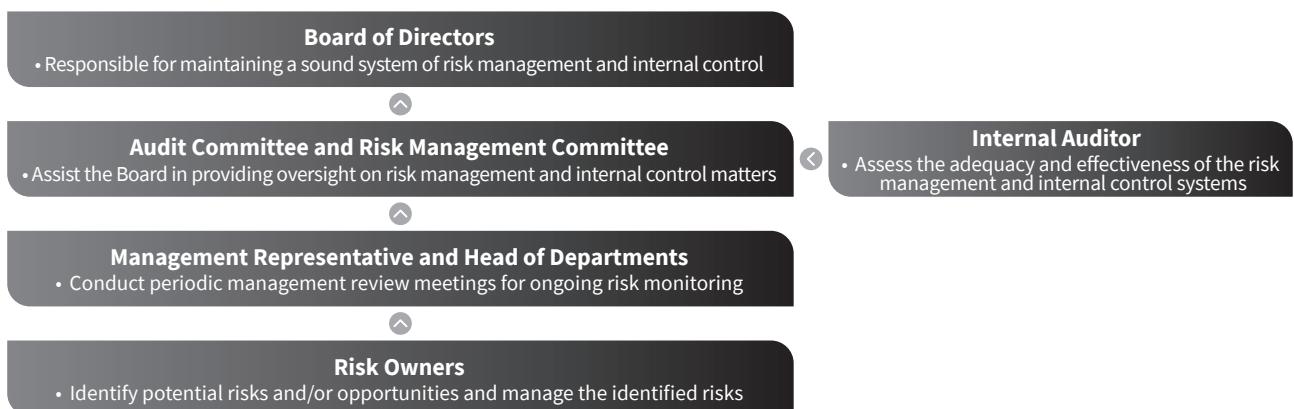
The risk management processes in identifying, evaluating, managing and documenting key risks in UWC are embedded in the operation and business processes in accordance with the ISO Environment and Quality Management System. Day-to-day operations in respect of financial, commercial, legal compliance and operational aspects of the Group are closely monitored by the respective Heads of Department. Risk deliberation, mitigation strategies and action plans are discussed and reported to the management in management review meetings.

As part of the Group’s comprehensive risk management process, a Risk Assessment Framework is diligently maintained. The Risk Assessment Framework includes the sources of context, description of risks and/or opportunities, risk owners, assessment of impacts and likelihood (risk assessment score ranking), risk control actions and result evaluation. Risk control and action plans are designed and implemented based on the risk assessment score ranking, ensuring that the most critical risks are addressed first. Respective risk owners are entrusted with the responsibility of identifying risks and ensuring that adequate control systems are in place to manage, mitigate, avoid or eliminate these risks. The Risk Assessment Framework is continuously updated to reflect ongoing changes in risk profiles, this serves as the ongoing process of identifying, assessing and managing risks faced by the Group and has been in place for the financial year under review.

The risk management process is as follows:



The risk management governance structure is as follows:



The management of the Group is responsible for effective implementation of risk management across the organisation and reports to the RMC. The management periodically review the risk management system to ensure its continuing suitability, adequacy, and effectiveness. During the FYE 2024, the management has reviewed the Risk Assessment Framework and subsequently tabled to the RMC and Board for deliberation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT

The Group has outsourced the internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), an independent professional firm to independently assess the adequacy, effectiveness and integrity of the Group's risk management and internal control systems.

Internal audit is carried out to assess the adequacy and integrity of the internal control system of the Group based on the internal audit plan reviewed and approved by the Audit Committee ("AC"). Based on the audits, the internal auditors will advise management on areas of improvement and subsequently, initiate follow-up actions to determine the extent of implementation of their recommendations.

The internal audit plan was circulated to the members of the AC prior to the execution of the assignment. Based on the approved internal audit plan, KPMG MRC conducted one cycle of internal audit during FYE 2024 with audit scope and focus area on "Logistic and Customer Support Operations" and "Shipping Operations". The internal audit findings and recommendations for improvement, including action plans agreed with operation level management, were reported to the AC on 25 June 2024.

Further details of the activities of internal audit function are set out under the Audit Committee Report of this Annual Report.

INTERNAL CONTROLS

In addition to the Risk Management and Internal Audit function, the Board also derives its comfort on the state of internal control in the Group through the following internal controls, information and review mechanisms and systems:

- i. Delegation and separation of responsibilities between the Board and management. The Board oversees the financial and operational performance reported to the Board by the management;
- ii. Defined authority and responsibility for core business activities and functional divisions. These limits of authority and approval are programmed into the Group ERP System facilitating delegation of power to management;
- iii. Board discussions with management during the board meetings on financial and operational issues as well as the measures taken by management to mitigate and manage the associated risks;
- iv. The management systems possessed by the subsidiaries and their continual compliance with these respective certification bodies' requirements.

Subsidiary	Scope	ISO Certificate
UWC Holdings Sdn. Bhd. and UWC Industrial Sdn. Bhd.	The manufacturing of sheet metal fabrication, precision engineering parts, mechanical and electrical assembly of automated equipment.	<ul style="list-style-type: none">• ISO 9001:2015 (Quality Management Systems)• ISO 14001:2015 (The Environment Management Systems)
	Contract manufacturing of sheet metal fabrication, precision engineering and mechanical parts for medical device and hospital furniture.	<ul style="list-style-type: none">• ISO 13485:2016 (Medical Devices-Quality Management System)
UWC Automation Sdn. Bhd.	Manufacturer of machining part.	<ul style="list-style-type: none">• ISO 9001:2015 (Quality Management Systems)• ISO 14001:2015 (The Environment Management Systems)
UWC Industrial Sdn. Bhd.	Class 100 Cleanroom with grade ISO Class 5, 7 and 8.	<ul style="list-style-type: none">• ISO 14644-1:2015 (Classification of Air Cleanliness by Particle Concentration)
	Class 10,000 Cleanroom with grade ISO Class 7 and 8.	
USURFACE Technology Sdn. Bhd.	Provision of surface finishing processes.	<ul style="list-style-type: none">• ISO 9001:2015 (Quality Management Systems)
MCE Technologies Sdn. Bhd.	Manufacturing and fabrication of metal stamping parts with assembly and secondary operation capabilities.	<ul style="list-style-type: none">• ISO 14001:2015 (The Environment Management Systems)
	Manufacturer of precision stamped metal parts.	<ul style="list-style-type: none">• ISO 9001:2015 (Quality Management Systems)• IATF 16949:2016 (Automotive Quality Management Systems)
MCT (Thailand) Co., Ltd.	Manufacturing and fabrication of metal stamping parts with assembly and secondary process.	<ul style="list-style-type: none">• ISO 9001:2015 (Quality Management Systems)
	Manufacturer of precision stamped metal parts.	<ul style="list-style-type: none">• IATF 16949:2016 (Automotive Quality Management Systems)

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROLS (cont'd)

- v. Potential financial risk exposure resulting from fire, perils, consequential loss, burglary, fidelity and public liability are insured to minimize Group's financial exposures and losses;
- vi. A comprehensive Employee Handbook is established to regulate human resources management and practices;
- vii. Implementation of physical security controls at the strategic locations such as CCTVs, security guards, fencing and gate in the plants; and
- viii. The Group has established a Whistle Blowing Policy which allows, supports and encourages its employees and third parties to report and raise genuine concerns about possible improprieties in matters of financial reporting, compliance, malpractices and unethical business conduct within the Group at the earliest opportunity and in an appropriate way. The Group is committed to investigate any suspected misconduct or breach reported, the investigation of which will be led by the AC, as well as to protect those who come forward to report such activities.

MANAGEMENT ACCOUNTABILITY AND ASSURANCE

Management is accountable to the Board for identifying risks associated with the business of the Group and its strategies; maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of control deficiencies and changes in risks that could affect the Group achievement of its objective and performance significantly.

Before producing this Statement, the Board has received assurance from Executive Directors that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

BOARD ASSURANCE AND LIMITATION

For the financial year under review, the Board is satisfied that the existing systems of risk management and internal control are effective and there were no losses resulted from significant control weakness.

The Board acknowledges that the risk management and internal control systems should be continuously improved. The Board will continue to evaluate and take measures to strengthen the internal control systems. However, stakeholders should note that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives, given that there are inherent limitations in any risk management and internal control system. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the External Auditors shall review this Statement. The review should be guided by the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants.

Based on AAPG3, the External Auditors have reviewed this Statement and have reported to the Board that nothing has come to their attention that causes them to believe that the explanation disclosed in this Statement is inconsistent with their understanding of the processes adopted by the Board and management in their risk management and internal control systems of the Group.

This Statement is made in accordance with a resolution of the Board on 21 November 2024.

AUDIT COMMITTEE REPORT

COMPOSITION AND DESIGNATION

Chairman : Dato' F'ng Meow Cheng
(*Independent Non-Executive Director*)

Member : Dato' Lio Chee Yeong
(*Independent Non-Executive Director*)

Jariyah Binti Hashim
(*Independent Non-Executive Director*)

The members of the Audit Committee (“AC”) comprise wholly Independent and Non-Executive Directors.

The AC Chairlady, Dato' F'ng Meow Cheng is a member of Malaysian Institute of Certified Public Accountants (“MICPA”) and Malaysian Institute of Accountants (“MIA”).

Members of the Committee are financially literate, with diverse background, experience and knowledge in accountancy, business management, commercial and corporate laws and national investment policies and administration.

TERMS OF REFERENCE

Following are the details of the AC's terms of reference. This terms of reference is also posted at the Company's website at www.uwcberhad.com.my.

1.0 Objectives

The principal objective of the AC is to assist the Board of Directors (“the Board”) on following:

- a. To independent review and oversee of UWC Berhad (“the Company”) financial reporting process;
- b. To oversee and appraise the performance and the quality of the audit conducted by internal and external auditors;
- c. To review the Company's process for monitoring compliance with laws and regulations; and
- d. To review the compliance and the effectiveness of Company's Employee Code of Conduct.

2.0 Composition

- a. The AC of the Company shall be appointed from amongst the Board and shall comprise not less than three (3) members who fulfils the following requirements:
 - i. all the AC members must be non-executive directors, with all of them being independent directors; and
 - ii. have at least one (1) member who is a member of the MIA or who complies with paragraph 15.09 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) or fulfils such other requirements as prescribed or approved by Bursa Securities.
- b. No alternate Director of the Board shall be appointed as a member of the AC.
- c. The Chairman, who shall be elected by the AC, shall be an Independent Director and shall not be the Chairman of the Board.
- d. In the event of any vacancy resulting in non-compliance with the terms of reference hereof, the vacancy must be filled within three (3) months.
- e. The term of office and tender of the AC and each of its members must be reviewed by the Nominating Committee annually in order to determine whether the AC and members have carried out their duties in accordance with their terms of reference.
- f. A former key audit partner involved in the audit works of the Group must observe a cooling-off period of three (3) years before he/she may be appointed as a member of the AC.

AUDIT COMMITTEE REPORT [CONT'D]

TERMS OF REFERENCE (cont'd)

3.0 Functions and Duties

- a. In respect of the external audit, to review and report the same to the Board:
 - i. the audit plan, its scope and nature;
 - ii. the audit reports and management letter issued by the External Auditors and the implementation of audit recommendations;
 - iii. the results of the External Auditors' evaluation of the accounting policies and systems of internal control and risk management within the Company and its subsidiaries (collectively "the Group"); and
 - iv. the assistance given by the employees of the Company to the External Auditors;
- b. To review the quarterly reports on consolidated financial results and annual financial statements prior to submission to the Board, focusing particularly on:
 - i. changes in or implementation of major accounting policies and practices;
 - ii. significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
 - iii. the going concern assumption;
 - iv. integrity of financial statements; and
 - v. compliance with accounting standards and other legal requirements;
- c. To discuss the problems and reservations arising from the audits, and any matter the Internal and External Auditors may wish to discuss (in the absence of Management, where necessary);
- d. To consider the appointment (or re-appointment as the case may be) of the Internal and External Auditors, the audit fee, the terms of reference of the said appointment/re-appointment, any question on their resignation or dismissal before making a recommendation to the Board, and commits to tender for a new audit firm on a regular basis.

In determining the appointment/re-appointment of the External Auditors, in addition to the suitability factors as set out below:

- i. the adequacy of the experience and resources of the accounting firm;
- ii. the persons assigned to the audit;
- iii. the accounting firm's audit engagements;
- iv. the size and complexity of the Group being audited; and
- v. the number and experience of supervisory and professional staff assigned to the particular audit;

To also consider the performance of the External Auditors and its independence such as:

- i. the auditors' ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
- ii. the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and
- iii. whether there are procedures in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or length of service tenure of the External Auditors;

e. To obtain the confirmation from External Auditors that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;

AUDIT COMMITTEE REPORT (CONT'D)

TERMS OF REFERENCE (cont'd)

3.0 Functions and Duties (cont'd)

f. To discuss the contracts and nature for the provision of non-audit services which can be entered into by the Group with the External Auditors or its affiliates and procedures that must be adhered to by the External Auditors. The following contracts cannot be entered into with the External Auditors:

- Management consulting;
- Strategic decision;
- Internal audit; and
- Policy and standard operating procedures documentation.

Any exceptions to the above require the AC and Board's approval. The Company is required to state the details on the nature of the non-audit services rendered in the Company's annual report in accordance with the MMLR;

g. To do the following, in relation to the internal audit function:

- i. review the adequacy of the scopes, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- ii. review the internal audit plan and the results of the internal audit process and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function; and
- iii. review any appraisal or assessment of the performance of members of the internal audit function, whether in-house or outsourced. Where internal audit function is in-house, approve any appointment or termination of senior staff members and take cognisance of resignations of its staff members, providing them an opportunity to submit reasons for resigning;

h. To consider the major findings of internal audit investigations and Management's response or action plan;

i. To ensure the internal audit function is independent of the work it audits and the head of internal audit reports directly to the AC. The head of internal audit should have the relevant qualification and be responsible for providing assurance to the AC that the internal controls are operating effectively. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of risk management, internal control and governance processes within the Company;

j. To review any related party transaction and conflict of interest situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raise question of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;

k. To review the adequacy and effectiveness of risk management and internal control systems deployed by the Key Senior Management to address those risks and recommend corrective measures undertaken to remedy failures and/or weaknesses;

l. To submit to the Board a report on the summary of activities of the AC in the discharge of its functions and duties in respect of each financial year including details of relevant training attended by the AC for inclusion into the annual report of the Company;

m. To review and assess the adequacy and relevance of its terms of reference annually and recommend any changes it considers necessary to the Board for endorsement; and

n. To consider and examine such other matters as defined by the Board or as may be prescribed by Bursa Securities or any other relevant authority from time to time.

AUDIT COMMITTEE REPORT [CONT'D]

TERMS OF REFERENCE (cont'd)

4.0 Rights

The AC shall:

- a. have authority to investigate any matter within its terms of reference;
- b. have the resources which are required to perform its duties;
- c. have full and unrestricted access to any information pertaining to the Group;
- d. have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity on a continuous basis in order to be kept informed of matters affecting the Group;
- e. have the right to obtain independent professional or other advice at the Company's expense;
- f. have the right to convene meetings with the Internal and External Auditors, without the attendance of the other Directors or employees of the Group, whenever deemed necessary; and
- g. promptly report to Bursa Securities matters which have not been satisfactorily resolved by the Board resulting in a breach of the MMLR of Bursa Securities.

5.0 Meetings

- a. The AC shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members. Additional meetings may be conducted if the need arises.
- b. A circular resolution in writing signed by the members of the AC who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the AC duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the AC and shall include signed copies via legible facsimile transmission or other written electronic means.
- c. Any member of the AC may participate in any meeting of the AC via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- d. The Company Secretary or any other person approved by the AC shall act as the Secretary of the AC and shall attend all meetings and minute the proceedings thereof.
- e. The Chairman shall upon request of the Internal or External Auditors convene a meeting of the AC to consider any matter the Internal or External Auditors believe should be brought to the attention of the AC members or shareholders.
- f. The External Auditors, the Head of Finance and the Head of Internal Audit shall attend any meeting of the AC at the invitation of the AC.
- g. The Audit Committee should meet with the External Auditors without Executive Directors or management representatives present at least twice a year.
- h. The Chairman of the AC should engage on a continuous basis with the Chairman of the Board, the Group CEO and COO, Financial Controller, the Head of Internal Audit, the External Auditors and the Company Secretary in order to be kept informed of matters affecting the Company and the Group.



AUDIT COMMITTEE REPORT [CONT'D]

TERMS OF REFERENCE (cont'd)

6.0 Disclosure

The AC is required to prepare a Committee Report at the end of each financial year for inclusion in the Annual Report of the Company. The Committee Report shall include the following information:

- a. Composition of the AC, including the name, designation (indicating the Chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);
- b. Number of AC meetings held during the financial year and details of attendance of each Committee member;
- c. Summary of the work carried out by the AC in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities;
- d. Summary of the work of the internal audit function; and
- e. Summary of any conflict of interest ("COI") or potential COI situation reviewed by the Audit Committee (excluding a related party transaction), and the measures taken to resolve, eliminate, or mitigate such conflicts.

The AC shall also assist the Board in making the following additional statements in the Company's Annual Report:

- a. Statement explaining the Board's responsibility for preparing the annual audited financial statements of the Group; and
- b. Statement about the state of risk management and internal controls of the Group.

7.0 Review of the Terms of Reference

The Terms of Reference of the AC should be reviewed annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the AC's duties and responsibilities.

ATTENDANCE

The AC was constituted on 16 November 2018. During the financial year ended 31 July 2024, there were five (5) meetings held. The detail of attendance of each AC member is as follows:

	AC Member	Attendance
1	Dato' F'ng Meow Cheng	5/5
2	Dato' Lio Chee Yeong	5/5
3	Dato' Wan Hashim Bin Jusoh <i>(Ceased as member on 2 May 2024)</i>	4/4
4	Jariyah Binti Hashim <i>(Appointed on 2 May 2024)</i>	1/1

SUMMARY OF ACTIVITIES

The activities undertaken by the AC in discharging its duties and functions during the financial year are summarised as follows:

a. Reviewing the Related Party Transactions and Conflict of Interest

In order to safeguard the interest of the UWC Group and its minority shareholders, and to mitigate any potential conflict of interest, the AC has reviewed the related party transactions and was satisfied that the related party transactions were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to the Group nor detrimental to the minority shareholders' interest of the Company.

On 26 May 2023, Bursa Securities issued amendments to the MMLR in relation to, among others, conflict of interest ("COI"). The AC has reviewed the proposed amendments to the Terms of Reference of the AC and recommended the same to the Board for approval and adoption on 29 November 2023. The amendments are in line with changes to the MMLR, to expand the role of AC to include reviewing and reporting on COI that arose or persisted and the measures take to resolve, eliminate or mitigate such COI, as well as disclose them in the AC report. The AC has reviewed and was satisfied that none of the Directors and key senior management has any conflicts of interest with the Company during the financial year ended 31 July 2024 ("FYE 2024").

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES (cont'd)

b. Reviewing FYE 2024 External Audit Planning Memorandum and the Independence of the External Auditors

Private sessions were held between the AC and the External Auditors on 12 September 2023 and 25 June 2024 respectively without the presence of the Executive Members.

Before the commencement of the current financial year audit, the AC has reviewed and deliberated with the External Auditors on their audit planning memorandum, in particular the audit risk areas, approach, emphasis and timeline.

The AC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to UWC presently.

c. Reviewing FYE 2023 Audited Financial Statements

The AC has reviewed the Audited Financial Statements for the financial year ended 31 July 2023 together with the Reports of Directors and Auditors on 29 November 2023 before presentation to the Board for approval and for release to the authorities and public.

The AC has also verified the allocation of shares granted during FYE 2023 pursuant to the Share Grant Scheme is in compliance with the criteria for allocation disclosed by the Company to the employees.

d. Reviewing the Interim Financial Results

The AC has reviewed the financial statements and the quarterly results, cash flows, and financial positions with management. During this review, the Deputy Group Chief Executive Officer and Financial Controller were invited to present and respond to questions raised by the AC on the financial performance and significant financial reporting concerning compliance with applicable approved accounting standards and other regulatory requirements. Based on the clarifications and answers provided by the management, the AC resolved to present the financial results and statements to the Board for consideration and approval.

e. Reviewing the Internal Audit Functions

The AC has reviewed and approved the Internal Audit Plans FYE 2024 presented by Internal Auditor on 18 December 2023. The Internal Auditor reported its findings together with the management action plan and recommendations to the AC for review on 25 June 2024. The AC also reviewed the adequacy of the scope, function, competency and resources of the internal audit functions, and ensures that it has the necessary authority to carry out its work. The AC and management work closely with the outsourced internal audit function to review the internal control issues and ensure that significant issues are brought to the attention of the Board.

During the year, the AC has reviewed the internal audit findings from the in-house internal audit team and resolved to recommend the said internal audit findings to the Board for notation. The AC was satisfied that the in-house internal audit team has complemented the outsourced internal audit services as well as to undertake ad-hoc internal audit engagements requested by the management.

f. Reviewing the Audit Committee Report and Statement on Risk Management and Internal Control

The AC has reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to recommending the same for Board's approval for inclusion in the Annual Report 2023 on 29 November 2023.

INTERNAL AUDIT FUNCTION

During the FYE 2024, the Group has outsourced the internal audit function to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), an independent professional firm. The internal audit fee for financial year 2024 was RM30,000.

The internal audit engagement is led by an Executive Director, namely Encik Mohd Khaidzir Shahari who is with the Governance, Risk and Compliance Services ("GRCS") practices of KPMG MRC. He provides overall direction for the engagement and is responsible for all stages of the work therein. Encik Mohd Khaidzir is a Professional Member and Certified Internal Auditor (The Institute of Internal Auditors Incorporated), a Chartered Accountant of MIA and a Certified Global Management Accountant. He is also currently a Board of Governors for the Institute of Internal Auditors Malaysia ("IIAM") and is the Chairman of IIAM's Research and Technical Advisory Committee. All the personnel deployed by KPMG MRC are free from any relationship or conflict of interest, that could impair their objectivity and independence during the course of their work.

AUDIT COMMITTEE REPORT [CONT'D]

INTERNAL AUDIT FUNCTION (cont'd)

Functionally, the Internal Auditors report directly to the AC. The primary responsibility of the Internal Auditors is to assist the Board and the AC in reviewing and assessing management systems of internal control and procedures. The AC reviews and approves the Internal Audit Engagement and fees to ensure the independence and objectivity of the Internal Auditors.

The internal audit function executed the internal audit work based on a risk-based internal audit plan as approved by the AC before the commencement of work. The internal audit work is carried out based on the KPMG MRC Internal Audit Methodology, which is closely aligned with the International Professional Practices Framework (“IPPF”) of the Institute of Internal Auditors. It highlighted significant findings and corrective measures in respect of any non-compliance to Management and AC on a timely basis. During the financial year under review, one internal audit cycle with the following audit scopes of work was carried out to assess the internal control systems:

No.	Audited Areas	Reporting Date
1	Logistic and Customer Support Operations	11 June 2024
2	Shipping Operations	11 June 2024

Findings arising from the internal audit exercise were reported and discussed at the AC meeting on 25 June 2024.

NOMINATION COMMITTEE STATEMENT

COMPOSITION AND DESIGNATION

Chairman : Dato' Lio Chee Yeong
(Independent Non-Executive Director)

Member : Dato' F'ng Meow Cheng
(Independent Non-Executive Director)

Jariyah Binti Hashim
(Independent Non-Executive Director)

TERMS OF REFERENCE

Following are the details of the composition of the Nomination Committee (“NC”) and its terms of reference. This terms of reference is also posted at the Company’s website at www.uwcberhad.com.my.

1.0 Objective

The principal objective of the NC is to develop and maintain a formal, rigorous and transparent procedure for assessing the performance of the Board of Directors (“Board”), the Board Committees and Individual Directors; making recommendations on appointments and reappointments of Directors to the Board; and reviewing candidate recommended for appointment and promotion as key senior management in the Group (“the Company and its subsidiaries”).

2.0 Composition

- a. The members of the NC of UWC Berhad (“the Company”) shall be appointed from amongst the Board and shall:
 - i. comprise not less than three (3) members;
 - ii. consist exclusively of non-executive directors, a majority of whom are independent; and
 - iii. where Independent Director shall be the Chairman of the NC.
- b. No alternate Director of the Board shall be appointed as a member of the NC.
- c. In the event of any vacancy resulting in non-compliance with the terms of reference hereof, the vacancy must be filled within three (3) months.

3.0 Functions and Duties

3.1 Appointment of New Directors

The NC’s duties are:

- a. to develop, maintain and review, for Board’s approval, the criteria to be used in the recruitment and screening process for prospective directors, such as the candidates’:
 - skills, knowledge, expertise and experience;
 - professionalism;
 - background, character, integrity and competence;
 - contribution and performance;
 - time commitment to effectively discharge his or her duties to the Company including, amongst others, attendance at board or committee meetings, shareholders’ meetings, major company events and participation in continuing training programmes;
 - boardroom diversity including gender diversity, age and ethnicity diversity; and
 - in the case of candidates for the position as independent non-executive directors, the candidates’ ability to discharge such responsibilities or functions as expected from independent non-executive directors.

Candidates may be proposed by the Chairman and/or Managing Director and within the bounds of practicability, by any director or shareholder or any senior management personnel. The NC should also utilise independent sources to identify suitably qualified candidates.



NOMINATION COMMITTEE STATEMENT (CONT'D)

TERMS OF REFERENCE (cont'd)

3.0 Functions and Duties (cont'd)

3.1 Appointment of New Directors (cont'd)

- b. where there is a vacancy in Board seat or a need to add additional director on Board, to search across a diverse candidate pool, then identify, nominate and make recommendations to the Board, the appointment of new candidates to the Board, based on recruitment criteria set by the Board;
- c. to recommend to the Board, candidates to fill memberships in the Board Committees; and
- d. to ensure that new appointees to the Board undergo Mandatory Accreditation Programme as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities") and an induction programme to facilitate their understanding of the operations, products and services.

3.2 Assessment of Directors

The NC's duties are:

- a. to assist the Board in an annual review of the appropriate size of the Board, the required mix of skills, current diversity level, experience and other qualities, including core competencies which non-executive directors should bring to the Board;
- b. to assess the effectiveness of the Board as a whole annually, all Board Committees and the contribution of each individual Director, including the term of office and performance of the Board Committees and its member;
- c. to assess the independence of the independent non-executive directors, including reviewing the criteria for assessing their independence;
- d. to assess the desirable balance in board membership, considering the structure and development of excessive number of directorships;
- e. to assess the desirable number of independent non-executive directors;
- f. to review succession plans for the Board and senior management with a view to maintain an appropriate balance of skills, experience, tenure and diversity on the Board;
- g. to evaluate existing Directors who are subject to re-election/reappointment for recommendation to the Board;
- h. to ensure that all Directors attend appropriate continuous training programmes; and
- i. to document all assessments and evaluations properly and report to the Board all the results of the assessments and evaluations on an annual basis.

3.3 Others

- a. To report in the annual report, a statement about the activities of the NC in the discharge of its duties for the financial year;
- b. To consider other matters as referred to the NC by the Board; and
- c. To review and assess the adequacy and relevance of its terms of reference annually and recommend any changes it considers necessary to the Board for endorsement.

4.0 Rights

- a. The NC in carrying out its tasks under these terms of reference has the right to seek any information it requires from Management, employees and external parties.
- b. The NC may obtain independent professional or other external advice at the expense of the Company, with prior consent of the Board.

NOMINATION COMMITTEE STATEMENT (CONT'D)

TERMS OF REFERENCE (cont'd)

5.0 Meetings

- a. The NC shall meet at least once in each financial year and report to the Board after each meeting, its recommendations, findings or decisions.
- b. The quorum for a meeting shall be two (2) members.
- c. A circular resolution in writing signed by the members of the NC who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the NC duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the NC and shall include signed copies via legible and written electronic means.
- d. The Company Secretary or any other person approved by the NC shall act as the Secretary of the NC and shall attend all meetings and minute the proceedings thereof.
- e. Any member of the NC may participate in any meeting of the NC via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

6.0 Review of the Terms of Reference

The terms of reference of the NC should be reviewed annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the NC's duties and responsibilities.

ATTENDANCE

The NC was constituted on 16 November 2018. During the financial year ended 31 July 2024, there were five (5) meetings held. The details of attendance of each NC member is as follows:

	NC Member	Attendance
1	Dato' Lio Chee Yeong	5/5
2	Dato' F'ng Meow Cheng	5/5
3	Dato' Wan Hashim Bin Jusoh (<i>Ceased as member on 2 May 2024</i>)	4/4
4	Jariyah Binti Hashim (<i>Appointed on 2 May 2024</i>)	1/1

SUMMARY OF ACTIVITIES

During the year, the NC has assessed the suitability of few candidates for appointment as Independent Non-Executive Director (“INED”) as the NC is cognisant of the need to increase female representation on Board. On 25 March 2024, the NC was of the opinion that Jariyah Binti Hashim (“Puan Jariyah”) was a suitable candidate for appointment as an INED and would fit in with the overall balance composition of the Board. Accordingly, the NC resolved to recommend the appointment of Puan Jariyah as an INED to the Board.

On 24 September 2024, the NC reviewed the outcome of an annual evaluation process on the Board, Board Committees and individual Directors that reviews their performance and assesses their effectiveness and contribution during the year under review. The assessment is administered using questionnaires that incorporate a range of criteria including Board composition, skills and competencies, meeting conduct and administration as well as self and peer evaluation model with an eye towards improvement opportunities. The NC found that all Directors (including Chief Executive Officer) possessed the needful character, experience, integrity and competence and have the time to discharge their respective roles. As part of the annual evaluation, the NC also assessed the independence of the INEDs and opined that all INEDs fulfilled the criteria of “independence” as prescribed under the Main Market Listing Requirements of Bursa Securities. As of to-date, all INEDs have served the Board for a term of less than nine (9) years.



NOMINATION COMMITTEE STATEMENT (CONT'D)

SUMMARY OF ACTIVITIES (cont'd)

In addition, NC also reviewed and is satisfied with the current Board structure, size and composition which ensured appropriate balance and size of non-executive participation as well as having the right mix of skill sets and diversity of experience.

Arising from satisfactory outcome of the annual evaluation, the NC had proposed to the Board to recommend to the shareholders the re-election of Dato' Ng Chai Eng and Dato' Lio Chee Yeong who retire by rotation and Jariyah Binti Hashim who retires in accordance with Clause 156 of the Company's Constitution, at the forthcoming AGM.

In addition, the NC also conducted a review on the term of office and performance of the Audit Committee ("AC") for FYE 2024. The Board is satisfied that the AC and its members have discharged their duties in accordance with the AC's terms of reference.

At the same time, the NC recommended trainings to keep abreast of industry updates, changes to accounting standards and policies and taxation laws and how implementation of these standards impact financial reporting as well as changes to the regulatory environment particularly with the focus on sustainability. The NC is of the view that the Directors should determine their training needs as they are in a better position to assess own areas of concern.

All assessments and evaluations carried out by the NC are properly documented.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to applicable Financial Reporting Standards, the provisions of the Companies Act 2016, and Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Directors are required to prepare the annual audited financial statements that give a true and fair view of the state of affairs of the Group and of the Company for the financial year.

In the preparation of the financial statements for the financial year ended 31 July 2024, the Directors have taken the following measures:

- i. appropriate accounting policies have been adopted and applied consistently;
- ii. reasonable and prudent judgements and estimates have been made;
- iii. all applicable approved accounting standards in Malaysia, such as Malaysian Financial Reporting Standards (“MFRSs”) have been adhered to; and
- iv. the financial statements have been prepared on a going concern basis.

The Directors have ensured that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors have also ensured that the Group’s quarterly reports and annual audited financial statements are promptly released to Bursa Securities in order to keep the investing public well-informed of the Group’s latest performance and developments.

This Statement of Directors’ Responsibility in relation to the Financial Statements is made in accordance with a resolution of the Board of Directors.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 2024 (“FYE 2024”) by the Company’s Auditors are as follows:

Category	Audit Fees (RM)	Non-Audit Fees (RM)*
Company	49,400	8,200
Subsidiaries	192,095	16,000
	241,495	24,200

* Non-audit fees comprise of review of Statement on Risk Management and Internal Control and tax fees.

2. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions of revenue or trading nature conducted pursuant to shareholders' mandate during FYE 2024.

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests during FYE 2024.



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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are mainly provision of precision sheet metal fabrication, precision machined components, value-added assembly services and other related activities, manufacturing in metal components and metal stamping for computer equipment and automotive spare parts. Further details of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>13,196,402</u>	<u>15,825,301</u>
Attributable to:		
Owners of the parent	15,546,748	15,825,301
Non-controlling interests	(2,350,346)	0
	<u>13,196,402</u>	<u>15,825,301</u>

DIVIDEND

No dividend has been paid, declared or proposed by the Group and the Company since the end of the previous financial year.

The Directors do not recommend any payment of dividend for the financial year ended 31 July 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 1,101,667,206 to 1,101,954,106 by way of issuance of 286,900 new ordinary shares pursuant to the Share Grant Scheme ('SGS').

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

SHARE GRANT SCHEME

The establishment of employees' Share Grant Scheme ('SGS') was approved by the shareholders at an Extraordinary General Meeting held on 10 January 2020. The SGS was implemented on 13 February 2020 and will continue to be in force for a period of ten (10) years from the date of implementation.

The salient features of the SGS are as follows:

- (i) The Board of Directors shall appoint the SGS Committee to administer the SGS. The SGS Committee shall be vested with such powers and duties conferred upon it by the Board and the Board may determine all matters pertaining to the SGS Committee, including its duties, powers and limitations.
- (ii) Eligible Executive Directors and employees are those who are confirmed employees of the Company and its subsidiaries and has attained the age of eighteen (18) years.
- (iii) The maximum number of shares which may be made available under the Scheme shall not in aggregate exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the tenure of the SGS and out of which not more than seventy percent (70%) shall be allocated to the Executive Directors and senior management of the Group. In addition, not more than ten percent (10%) of the maximum shares available under the SGS shall be allocated to any individual Executive Director or employee who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued shares of the Company.
- (iv) The Shares to be issued and/or transferred to the Grantees pursuant to the SGS will rank pari passu, in all respects with the existing shares, save and except that the shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, where the entitlement date is before the date of issuance and/or transfer of the abovementioned shares.

During the financial year, the Company granted 56,800 shares under the SGS to eligible Executive Directors and employees of the Group. The outstanding share grants at the end of the financial year are to be vested on specific dates in the following periods:

- (i) The 2020 grant is to be vested within 5 years.
- (ii) The 2023 grant is to be vested within 1 year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

UWC Berhad

Dato' Ng Chai Eng *

Dato' Lau Chee Kheong *

Dato' Wan Hashim Bin Wan Jusoh

Dato' F'ng Meow Cheng

Dato' Lio Chee Yeong

Dr. Ng Chin Liang (Alternate Director to Dato' Ng Chai Eng)

Jariyah Binti Hashim (Appointed on 2 May 2024)

* This Director of the Company is also Director of the subsidiaries of the Company.

Subsidiaries of UWC Berhad (excluding those who are listed above)

Tan Kean Hean

Yeap Hock Chye

Tang Chee Seng

Khor Say Yin @ Xu Shiyin

Yee Boon Yip

Boon Che Kwang

Tan Yoo Heng

Raja Idris Shah Bin Raja Iskandar Dzurkarnain (Appointed on 29 April 2024)

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 July 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			Balance as at 31.7.2024
	Balance as at 1.8.2023	Bought	Sold	
Shares in the Company				
<u>Direct interests:</u>				
Dato' Ng Chai Eng	83,078,938	267,394,851	0	350,473,789
Dato' Lau Chee Kheong	82,476,938	267,424,851	0	349,901,789
Dato' Wan Hashim Bin Wan Jusoh	480,000	0	0	480,000
Dato' F'ng Meow Cheng	600,000	20,000	(65,900)	554,100
Dato' Lio Chee Yeong	1,110,000	0	0	1,110,000
Dr. Ng Chin Liang (Alternate Director to Dato' Ng Chai Eng)	402,600	13,800	0	416,400
<u>Indirect interests:</u>				
Dato' Ng Chai Eng *	553,810,606	13,800	(553,408,006)	416,400
Dato' Lau Chee Kheong #	553,408,006	0	(553,408,006)	0

* Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016 in Malaysia and the shares held by his son, Dr. Ng Chin Liang pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

Deemed interest through shares held in UWC Capital Sdn. Bhd. by virtue of Section 8(4) of the Companies Act 2016 in Malaysia.

	Number of ordinary shares granted under the SGS			Balance as at 31.7.2024
	Balance as at 1.8.2023	Granted	Exercised	
Shares in the Company				
Dr. Ng Chin Liang (Alternate Director to Dato' Ng Chai Eng)	55,000	6,000	(13,800)	47,200

By virtue of Dato' Ng Chai Eng's and Dato' Lau Chee Kheong's substantial interest in the shares of the Company, they are deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Director holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- (i) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- (ii) certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The fees and other benefits of Directors who have held office during the financial year ended 31 July 2024 were as follows:

	Group RM	Company RM
Fees	153,000	153,000
Salaries and other emoluments	3,012,730	12,500
Contributions to defined contribution plan	182,372	0
Share grant scheme	47,268	0
Other benefits	9,474	0
	<hr/> <u>3,404,844</u>	<hr/> <u>165,500</u>

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 22 September 2023, the Company had entered into a Sale and Purchase Agreement with Meta Health Limited ('META') for the proposed acquisition of 3,825,000 ordinary shares in MCE Technologies Sdn. Bhd. ('MCET'), representing 51% equity interest in MCET, for a purchase consideration of SGD1,012,509 (equivalent to RM3,521,619). Concurrently, MCET acquired 100% equity interest in MCT (Thailand) Co., Ltd ('MCT'), for a purchase consideration of SGD1,706,566 (equivalent to RM5,935,626).

The proposed acquisition was completed on 8 November 2023 and the companies became subsidiaries of UWC Berhad.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 July 2024 amounted to RM49,400 and RM192,095 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Ng Chai Eng
Director

Penang
21 November 2024

Dato' Lau Chee Kheong
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 101 to 152 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Ng Chai Eng
Director

Dato' Lau Chee Kheong
Director

Penang
21 November 2024

STATUTORY DECLARATION

I, Dr. Ng Chin Liang (CA 42709), being the Director primarily responsible for the financial management of UWC Berhad, do solemnly and sincerely declare that the financial statements set out on pages 101 to 152 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed at Georgetown in the State
of Penang this 21 November 2024

Dr. Ng Chin Liang

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UWC BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UWC Berhad, which comprise the statements of financial position as at 31 July 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 101 to 152.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of trade receivables

Gross trade receivables of the Group as at 31 July 2024 were RM81,506,874 as disclosed in Note 9 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Audit response

Our audit procedures included the following:

- (a) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and
- (c) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT [CONT'D]

TO THE MEMBERS OF UWC BERHAD

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT [CONT'D]

TO THE MEMBERS OF UWC BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Goh Chee Beng
03535/11/2026 J
Chartered Accountant

Penang
21 November 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2024

	Note	Group		Company		
		2024 RM	2023 RM	2024 RM	2023 RM	
ASSETS						
Non-current assets						
Property, plant and equipment	5	146,622,327	127,370,296	0	0	
Right-of-use assets	6	53,109,558	48,320,038	0	0	
Investments in subsidiaries	7	0	0	124,613,471	109,787,892	
		<u>199,731,885</u>	<u>175,690,334</u>	<u>124,613,471</u>	<u>109,787,892</u>	
Current assets						
Inventories	8	66,520,710	63,373,491	0	0	
Trade and other receivables	9	110,911,347	74,839,572	9,503,340	5,876,951	
Contract assets	10	171,867	579,263	0	0	
Other investments	11	26,836,250	36,828,183	7,919,980	7,900,000	
Current tax assets		33,596,076	16,834,695	79,190	91,121	
Cash and bank balances	12	80,986,816	95,746,517	3,422,422	5,459,366	
		<u>319,023,066</u>	<u>288,201,721</u>	<u>20,924,932</u>	<u>19,327,438</u>	
TOTAL ASSETS		<u>518,754,951</u>	<u>463,892,055</u>	<u>145,538,403</u>	<u>129,115,330</u>	
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Share capital	13	120,781,503	120,182,983	120,781,503	120,182,983	
Reserves	14	314,486,258	299,875,690	24,668,726	8,843,425	
		<u>435,267,761</u>	<u>420,058,673</u>	<u>145,450,229</u>	<u>129,026,408</u>	
Non-controlling interest		17,785,148	2,182,451	0	0	
TOTAL EQUITY		<u>453,052,909</u>	<u>422,241,124</u>	<u>145,450,229</u>	<u>129,026,408</u>	
LIABILITIES						
Non-current liabilities						
Borrowings	15	0	905,668	0	0	
Government grants	16	2,134,722	27,831	0	0	
Lease liabilities	6	6,908,477	3,106,550	0	0	
Deferred tax liabilities	17	10,318,677	9,745,416	0	0	
		<u>19,361,876</u>	<u>13,785,465</u>	<u>0</u>	<u>0</u>	
Current liabilities						
Trade and other payables	18	43,846,816	25,560,962	88,174	88,922	
Borrowings	15	0	95,439	0	0	
Government grants	16	461,955	1,178,170	0	0	
Lease liabilities	6	2,010,072	1,029,920	0	0	
Current tax liabilities		21,323	975	0	0	
		<u>46,340,166</u>	<u>27,865,466</u>	<u>88,174</u>	<u>88,922</u>	
TOTAL LIABILITIES		<u>65,702,042</u>	<u>41,650,931</u>	<u>88,174</u>	<u>88,922</u>	
TOTAL EQUITY AND LIABILITIES		<u>518,754,951</u>	<u>463,892,055</u>	<u>145,538,403</u>	<u>129,115,330</u>	

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	20	248,397,204	271,744,137	16,596,160	5,353,600
Other operating income		10,483,716	6,652,672	135,754	77,032
Changes in inventories of finished goods and work-in-progress		(789,781)	(2,431,682)	0	0
Raw materials and consumables used		(92,953,549)	(82,805,753)	0	0
Employee benefits	21	(84,723,436)	(73,594,861)	(165,500)	(156,000)
Depreciation		(21,269,925)	(18,289,490)	0	0
Net (losses)/gains on impairment of trade and other receivables		(309,782)	211,299	0	0
Other operating expenses		(39,624,163)	(33,351,948)	(709,223)	(569,144)
Profit from operations		19,210,284	68,134,374	15,857,191	4,705,488
Finance costs	22	(428,875)	(258,765)	0	0
Profit before tax		18,781,409	67,875,609	15,857,191	4,705,488
Tax expense	23	(5,585,007)	(14,049,461)	(31,890)	(18,371)
Profit for the financial year		13,196,402	53,826,148	15,825,301	4,687,117
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation		(474,367)	(223)	0	0
Total comprehensive income		12,722,035	53,825,925	15,825,301	4,687,117
Profit for the financial year attributable to:					
Owners of the parent		15,546,748	55,021,995	15,825,301	4,687,117
Non-controlling interests		(2,350,346)	(1,195,847)	0	0
		13,196,402	53,826,148	15,825,301	4,687,117
Total comprehensive income attributable to:					
Owners of the parent		15,304,866	55,021,772	15,825,301	4,687,117
Non-controlling interests		(2,582,831)	(1,195,847)	0	0
		12,722,035	53,825,925	15,825,301	4,687,117
Earnings per share attributable to owners of the parent					
Basic (sen)	26(a)	1.41	4.99		
Diluted (sen)	26(b)	1.41	4.99		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

Group	Note	Share capital RM	Reorganisation debit reserve RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interest RM	Total equity RM
		120,182,983	(56,225,600)	(223)	356,101,513	420,058,673	2,182,451	422,241,124
Profit/(Loss) for the financial year		0	0	0	15,546,748	15,546,748	(2,350,346)	13,196,402
Foreign currency translation		0	0	(474,367)	232,485	(241,882)	(232,485)	(474,367)
Total comprehensive income/(loss)		0	0	(474,367)	15,779,233	15,304,866	(2,582,831)	12,722,035
Transactions with owners:								
Acquisition of shares by non-controlling interest		0	0	0	0	0	0	17,491,230
Acquisition of equity interest from non-controlling interest		0	0	0	(694,298)	(694,298)	694,298	0
Issuance of ordinary shares pursuant to Share Grant Scheme	13	598,520	0	0	0	598,520	0	598,520
Total transactions with owners		598,520	0	0	(694,298)	(95,778)	18,185,528	18,089,750
Balance as at 31 July 2024		120,781,503	(56,225,600)	(474,590)	371,186,448	435,267,761	17,785,148	453,052,909
Balance as at 1 August 2023		119,409,431	(56,225,600)	0	333,129,240	396,313,071	1,207,843	397,520,914
Profit/(Loss) for the financial year		0	0	0	55,021,995	55,021,995	(1,195,847)	53,826,148
Foreign currency translation		0	0	(223)	0	(223)	0	(223)
Total comprehensive income/(loss)		0	0	(223)	55,021,995	55,021,772	(1,195,847)	53,825,925
Transactions with owners:								
Acquisition of shares by non-controlling interest		0	0	0	0	0	2,170,455	2,170,455
Dividend paid	25	0	0	0	(32,049,722)	(32,049,722)	0	(32,049,722)
Issuance of ordinary shares pursuant to Share Grant Scheme	13	773,552	0	0	(32,049,722)	773,552	0	773,552
Total transactions with owners		773,552	0	0	(32,049,722)	(31,276,170)	2,170,455	(29,105,715)
Balance as at 31 July 2023		120,182,983	(56,225,600)	(223)	356,101,513	420,058,673	2,182,451	422,241,124

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

Company	Note	Share capital	Retained earnings	Total equity
		RM	RM	RM
Balance as at 1 August 2023		120,182,983	8,843,425	129,026,408
Profit for the financial year		0	15,825,301	15,825,301
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	15,825,301	15,825,301
Transactions with owners:				
Issuance of ordinary shares pursuant to Share Grant Scheme	13	598,520	0	598,520
Total transactions with owners		598,520	0	598,520
Balance as at 31 July 2024		<u>120,781,503</u>	<u>24,668,726</u>	<u>145,450,229</u>
Balance as at 1 August 2022		119,409,431	36,206,030	155,615,461
Profit for the financial year		0	4,687,117	4,687,117
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	4,687,117	4,687,117
Transactions with owners:				
Dividend paid	25	0	(32,049,722)	(32,049,722)
Issuance of ordinary shares pursuant to Share Grant Scheme	13	773,552	0	773,552
Total transactions with owners		773,552	(32,049,722)	(31,276,170)
Balance as at 31 July 2023		<u>120,182,983</u>	<u>8,843,425</u>	<u>129,026,408</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		18,781,409	67,875,609	15,857,191	4,705,488
Adjustments for:					
Amortisation of government grants	16	(1,553,768)	(1,178,170)	0	0
Net losses/(gains) on impairment of:					
- trade receivables	9(g)	319,054	(226,256)	0	0
- other receivables	9(h)	(9,272)	14,957	0	0
Depreciation of property, plant and equipment	5	18,380,917	16,489,766	0	0
Depreciation of right-of-use assets	6	2,889,008	1,799,724	0	0
Dividend income	20	0	0	(16,596,160)	(5,353,600)
Gain on fair value adjustment on other investment	11(c)	(500,226)	(271,927)	0	0
Interest expense	22	428,875	258,765	0	0
Interest income		(3,734,802)	(2,903,880)	(135,754)	(77,020)
Gain on disposal of property, plant and equipment		(34,060)	(257,406)	0	0
Bargain purchase	7(c)	(486,069)	0	0	0
Gain on lease termination	6(e)	(333)	0	0	0
Inventories written down	8(b)	154,124	0	0	0
Inventories written off	8(b)	335,395	0	0	0
Property, plant and equipment written off		988,200	0	0	0
Share grant expenses		598,520	773,552	0	0
Unrealised loss on foreign exchange		1,625,569	633,175	0	0
Operating profit/(loss) before changes in working capital		38,182,541	83,007,909	(874,723)	(725,132)
Decrease in inventories		1,151,243	918,760	0	0
(Increase)/Decrease in trade and other receivables		(21,143,430)	97,116,131	(8,396,389)	16,579,653
Decrease/(Increase) in contract assets		407,396	(535,766)	0	0
Increase/(Decrease) in trade and other payables		8,933,838	(13,426,274)	(748)	3,636
Cash generated from/(used in) operations		27,531,588	167,080,760	(9,271,860)	15,858,157
Interest paid		(20,048)	(49,357)	0	0
Tax paid		(22,058,321)	(33,599,607)	(43,124)	(45,826)
Tax refunded		428,103	87,202	23,165	0
Net cash from/(used in) operating activities		5,881,322	133,518,998	(9,291,819)	15,812,331

STATEMENTS OF CASH FLOWS [CONT'D]

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of interest in subsidiaries		0	0	(9,457,059)	(4,792,105)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	7(c)	(8,042,666)	(1,312,456)	0	0
Dividends received		0	0	16,596,160	33,636,480
Interest received		3,284,734	2,661,378	135,754	77,020
Proceeds from disposal of property, plant and equipment		120,840	453,853	0	0
Proceeds from disposal of other investments		14,962,207	8,598,660	0	0
Purchase of other investments		(4,019,980)	(24,900,000)	(19,980)	(7,900,000)
Purchase of property, plant and equipment	5	(31,102,547)	(31,331,757)	0	0
Purchase of right-of-use assets	6(h)	(1,301,999)	(31,200)	0	0
Proceeds from subscription of equity interest by non-controlling interest		7,932,660	2,170,455	0	0
Net changes in deposits pledged with licensed banks		(270,398)	0	0	0
Net cash (used in)/from investing activities		(18,437,149)	(43,691,067)	7,254,875	21,021,395
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	25	0	(32,049,722)	0	(32,049,722)
Proceed from banker acceptance		0	7,000,000	0	0
Repayment of banker acceptance		0	(7,000,000)	0	0
Proceeds from government grant		2,944,444	0	0	0
Repayment of term loans		(1,989,170)	(1,152,884)	0	0
Payments of lease liabilities		(2,347,334)	(1,191,425)	0	0
Net cash used in financing activities		(1,392,060)	(34,394,031)	0	(32,049,722)
Net (decrease)/increase in cash and cash equivalents		(13,947,887)	55,433,900	(2,036,944)	4,784,004
Effect of exchange rate changes		(1,082,212)	707,246	0	0
Cash and cash equivalents at beginning of financial year		95,746,517	39,605,371	5,459,366	675,362
Cash and cash equivalents at end of financial year	12(e)	80,716,418	95,746,517	3,422,422	5,459,366

STATEMENTS OF CASH FLOWS [CONT'D]

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Term loans (Note 15) RM
Balance as at 1 August 2023	4,136,470	1,001,107
Cash flows	(2,347,334)	(1,989,170)
Non-cash flows:		
- additions	2,157,226	0
- acquisition of subsidiaries	4,594,403	984,288
- lease termination	(14,781)	0
- unwinding of interest	408,827	0
- effect of foreign exchange	(16,262)	3,775
Balance as at 31 July 2024	<u>8,918,549</u>	<u>0</u>
Balance as at 1 August 2022	4,947,646	1,134,143
Cash flows	(1,191,425)	(1,152,884)
Non-cash flows:		
- additions	170,841	0
- acquisition of a subsidiary	0	1,019,848
- unwinding of interest	209,408	0
Balance as at 31 July 2023	<u>4,136,470</u>	<u>1,001,107</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 JULY 2024

1. CORPORATE INFORMATION

UWC Berhad ('the Company') is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 35, 1st Floor, Jalan Kelisa Emas 1, Taman Kelisa Emas, 13700 Seberang Jaya, Pulau Pinang.

The principal place of business of the Company is located at PMT 744-745, Jalan Cassia Selatan 5/1, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Penang.

The consolidated financial statements for the financial year ended 31 July 2024 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 21 November 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are mainly provision of precision sheet metal fabrication, precision machined components, value-added assembly services and other related activities, manufacturing in metal components and metal stamping for computer equipment and automotive spare parts. Further details of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs and Amendments to MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 32.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

4. OPERATING SEGMENTS

The Group is principally involved in investment holding, provision of precision sheet metal fabrication, precision machined components, value-added assembly services and other related activities.

For management purpose, the Group is organised into business units based on their products and services, which comprise the following:

Segment I – Investment holding;

Segment II – Provision of precision sheet metal fabrication and value-added assembly services, and the provision of precision machined components.

Within Segment II, the Group's revenue are disaggregated and reported by industries as follows:

- (a) Semiconductor industry;
- (b) Life science and medical technology industry; and
- (c) Others industries.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The accounting policies of operating segments are the same as those described in the notes to the financial statements.

Inter-segment revenue other than investment holding segment is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the financial years.

Segment assets exclude cash and bank balances and tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements).

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

4. OPERATING SEGMENTS (continued)

	Segment I			Segment II			Aggregate total RM	Eliminations RM	Consolidated RM
	Investment holding RM	Semi-conductor RM	Life science and medical technology RM	Others RM	Total RM				
2024									
Revenue from external customers	0	118,565,879	69,025,822	60,805,503	248,397,204	248,397,204	0	248,397,204	0
Inter-segment revenue	56,747,610	0	734,798	57,482,408	74,078,568	(74,078,568)			
Total revenue	<u>16,596,160</u>	<u>175,313,489</u>	<u>69,025,822</u>	<u>61,540,301</u>	<u>305,879,612</u>	<u>322,475,772</u>	<u>(74,078,568)</u>	<u>248,397,204</u>	<u>248,397,204</u>
Interest income	135,754								
Finance costs	0								
Net finance income	<u>135,754</u>								
Segment profit before tax	15,957,191								
Tax expense									
Other material non-cash items:									
- amortisation of government grants	0								
- depreciation of property, plant and equipment	0								
- depreciation of right-of-use assets	0								
- net losses on impairment of trade and other receivables	0								
- unrealised loss on foreign exchange	0								
Additions to non-current assets other than financial instruments	14,227,059								
Assets									
Segment assets	142,036,791								
Current tax assets									
Cash and bank balances									
Liabilities									
Segment liabilities	88,174								
Deferred tax liabilities									
Current tax liabilities									

4. OPERATING SEGMENTS (continued)

		Segment I			Segment II			Aggregate total			Eliminations		Consolidated
		Investment holding	Semi-conductor	Life science and medical technology	Others	Total	RM	RM	RM	RM	RM	RM	RM
	2023												
Revenue from external customers		0	177,923,969	68,693,038	25,127,130	271,744,137	271,744,137	0	271,744,137	0	271,744,137	0	0
Inter-segment revenue		82,503,540	0	196,350	82,699,890	88,053,490	(88,053,490)	(88,053,490)	(88,053,490)	(88,053,490)	(88,053,490)	(88,053,490)	0
Total revenue		<u>260,427,509</u>	<u>68,693,038</u>	<u>25,323,480</u>	<u>354,444,027</u>	<u>359,797,627</u>							<u>271,744,137</u>
Interest income		77,020			2,826,860	2,903,880	0	2,903,880	0	2,903,880	0	0	
Finance costs		0			(258,765)	(258,765)	0	0	0	0	0	(258,765)	
Net finance income		<u>77,020</u>			<u>2,568,095</u>	<u>2,645,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,645,115</u>	
Segment profit before tax		4,705,488			68,796,966	73,502,454	(5,626,845)	67,875,609					
Tax expense													(14,049,461)
Other material non-cash items:													
- amortisation of government grants		0			1,178,170	1,178,170	0	1,178,170	0	1,178,170	0	0	
- depreciation of property, plant and equipment		0			(16,415,544)	(16,415,544)	(74,222)	(74,222)	(74,222)	(16,489,766)	(16,489,766)	(34,611)	(34,611)
- depreciation of right-of-use assets		0			(1,765,113)	(1,765,113)	(1,799,724)	(1,799,724)	(1,799,724)	(1,799,724)	(1,799,724)	(1,799,724)	
- net gains on impairment of trade and other receivables		0			147,182	147,182	64,117	64,117	64,117	211,299	211,299	0	0
- unrealised loss on foreign exchange		0			(633,175)	(633,175)	0	0	0	(633,175)	(633,175)	0	0
Additions to non-current assets other than financial instruments		44,092,108			31,560,925	75,653,033	(44,119,235)	(44,119,235)	(44,119,235)	31,533,798	31,533,798	0	0
Assets													
Segment assets		123,564,843			369,921,779	493,486,622	(142,175,779)	(142,175,779)	(142,175,779)	351,310,843	351,310,843	0	0
Current tax assets										16,834,695	16,834,695	0	0
Cash and bank balances										95,746,517	95,746,517	0	0
Liabilities										463,892,055	463,892,055	0	0
Segment liabilities		88,922			62,479,569	62,568,491	(30,663,951)	(30,663,951)	(30,663,951)	31,904,540	31,904,540	0	0
Deferred tax liabilities										9,745,416	9,745,416	0	0
Current tax liabilities										975	975	0	0



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

4. OPERATING SEGMENTS (continued)

(a) Geographical information

Segment revenue disaggregated based on geographical location of customers of the Group are as follows:

	Group	
	2024	2023
	RM	RM
Revenue from external customers		
Malaysia	139,720,901	198,274,711
United States	37,800,374	10,073,857
Singapore	32,329,931	40,622,237
Thailand	23,719,681	0
India	5,616,597	7,137,108
Netherlands	3,115,125	3,671,573
France	2,251,111	5,313,321
Australia	2,180,017	0
China	107,875	3,652,053
Others	1,555,592	2,999,277
	<u>248,397,204</u>	<u>271,744,137</u>

(b) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	Group	
	2024	2023
	RM	RM
Customer A		
Customer A	36,677,613	106,682,981
Customer B	53,230,580	48,030,523
	<u>89,908,193</u>	<u>154,713,504</u>

5. PROPERTY, PLANT AND EQUIPMENT

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

Group	Buildings	Plant, machinery and equipment	Production equipment	Furniture, fittings, office equipment	Motor vehicles	Fire and electrical installation	Air conditioning	Security control systems	Renovation	Solar panel	Capital work-in- progress	Total RM
31 July 2024												
At cost												
Balance as at 1 August 2023	31,197,471	137,557,956	7,915,396	10,971,989	2,613,326	698,434	665,431	295,589	4,977,967	2,790,356	13,454,444	213,138,359
Acquisition of subsidiaries	0	37,019,281	902,805	1,552,645	412,073	0	413,174	0	3,848,526	0	374,895	44,523,399
Additions	0	6,687,153	1,276,436	3,043,610	244,535	232,183	70,818	36,590	1,113,287	0	18,397,935	31,102,547
Transfer from inventories	0	32,358	0	0	0	0	0	0	0	0	0	32,358
Disposals	0	(719,215)	0	(17,717)	(244,996)	0	(22,163)	0	0	0	0	(1,004,091)
Reclassifications	0	1,315,352	2,802,206	86,743	0	27,388	38,113	0	562,369	0	(4,832,171)	0
Written off	0	0	0	(606,096)	0	0	0	0	(651,693)	0	(988,200)	(2,245,939)
Currency translation differences	0	(445,239)	(25,944)	(12,385)	(9,253)	0	(1,686)	0	(25,947)	0	(4,584)	(525,058)
Balance as at 31 July 2024	31,197,471	181,447,646	12,870,899	15,018,789	3,015,685	958,005	1,163,687	332,179	9,824,509	2,790,356	26,402,319	285,021,545
Accumulated depreciation												
Balance as at 1 August 2023	2,446,087	69,063,764	2,642,421	6,659,918	1,841,635	138,373	203,677	131,827	1,642,705	997,656	0	85,768,063
Acquisition of subsidiaries	0	30,041,272	846,031	1,461,823	402,562	0	387,750	0	3,242,665	0	0	36,382,103
Current charge	519,958	13,516,920	878,606	1,519,544	304,367	74,167	78,839	30,219	1,179,262	279,035	0	18,380,917
Disposals	0	(696,978)	0	(17,715)	(180,456)	0	(22,162)	0	0	0	0	(917,311)
Written off	0	0	0	(606,096)	0	0	0	0	(651,693)	0	0	(1,257,789)
Currency translation differences	0	(385,114)	(24,691)	(10,512)	(9,032)	0	(975)	0	(14,282)	0	0	(444,606)
Balance as at 31 July 2024	2,966,045	111,539,864	4,342,367	9,006,962	2,359,076	212,540	647,129	162,046	5,398,657	1,276,691	0	137,911,377
Accumulated impairment												
Balance as at 1 August 2023	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition of subsidiaries	0	487,841	0	0	0	0	0	0	0	0	0	487,841
Balance as at 31 July 2024	0	487,841	0	0	0	0	0	0	0	0	0	487,841
Carrying amount												
Balance as at 31 July 2024	28,231,426	69,419,941	8,528,532	6,011,827	656,609	745,465	516,558	170,133	4,425,852	1,513,665	26,402,319	146,622,327

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Buildings	Plant, machinery and equipment	Production equipment	Furniture, fittings, office equipment	31 July 2023						Capital work-in- progress	Total RM	
					RM	RM	RM	RM	RM	RM			
At cost													
Balance as at 1 August 2022	31,197,471	122,653,991	5,980,385	9,525,247	2,463,704	578,911	617,931	278,087	3,021,907	2,782,956	3,125,160	182,225,750	
Additions	0	14,743,099	1,424,703	1,413,442	149,622	71,393	36,432	17,502	1,034,546	7,400	12,433,618	31,331,757	
Disposals	0	(402,948)	(16,200)	0	0	0	0	0	0	0	0	(419,148)	
Reclassifications	0	563,814	526,508	33,300	0	48,130	11,068	0	921,514	0	(2,104,334)	0	
Balance as at 31 July 2023	<u>31,197,471</u>	<u>137,557,956</u>	<u>7,915,396</u>	<u>10,971,989</u>	<u>2,613,336</u>	<u>698,434</u>	<u>665,431</u>	<u>295,589</u>	<u>4,977,967</u>	<u>2,790,356</u>	<u>13,454,444</u>	<u>213,138,359</u>	
Accumulated depreciation													
Balance as at 1 August 2022	1,926,128	56,937,031	1,951,612	5,345,748	1,560,391	72,175	139,970	103,366	745,648	718,929	0	69,500,998	
Current charge	519,959	12,348,354	691,889	1,314,170	281,244	66,198	63,707	28,461	897,057	278,727	0	16,489,766	
Disposals	0	(221,621)	(1,080)	0	0	0	0	0	0	0	0	(222,701)	
Balance as at 31 July 2023	<u>2,446,087</u>	<u>69,063,764</u>	<u>2,642,421</u>	<u>6,659,918</u>	<u>1,841,635</u>	<u>138,373</u>	<u>203,677</u>	<u>131,827</u>	<u>1,642,705</u>	<u>997,656</u>	<u>0</u>	<u>85,768,063</u>	
Carrying amount													
Balance as at 31 July 2023	<u>28,751,384</u>	<u>68,494,192</u>	<u>5,272,975</u>	<u>4,312,071</u>	<u>771,691</u>	<u>560,061</u>	<u>461,754</u>	<u>163,762</u>	<u>3,335,262</u>	<u>1,792,700</u>	<u>13,454,444</u>	<u>127,370,296</u>	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Plant, machinery and equipment	10% to 33%
Production equipment	10%
Furniture, fittings, office equipment and computer system	10% to 33%
Motor vehicles	20%
Fire and electrical installation	10%
Air conditioning	10% to 20%
Security control systems	10%
Renovation	10% to 20%
Solar panel	10%

Capital work-in-progress represents machinery under installation and factory building under construction. Capital work-in-progress is not depreciated until such time when the asset is available for use.

- (c) The building with a total carrying amount of RM10,080,440 of the Group (2023: RM10,266,242) is pledged to a licensed bank for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets	Group	Leasehold land RM	Buildings RM	Factory RM	Hostels RM	Motor vehicle RM	equipments RM	Warehouse RM	Total RM
31 July 2024									
At cost									
Balance as at 1 August 2023		47,175,373	0	6,137,865	118,277	156,000	0	0	53,587,515
Acquisition of subsidiaries		0	5,587,899	184,438	0	305,293	103,921	169,197	6,350,748
Additions		1,283,642	247,052	1,316,494	64,164	372,365	38,501	137,007	3,459,225
Derecognition		0	(157,902)	0	(53,638)	0	0	0	(211,540)
Lease termination		0	0	0	(34,674)	0	0	0	(34,674)
Currency translation differences		0	(1,110)	(8,732)	0	(3,901)	0	(7,170)	(20,913)
Balance as at 31 July 2024		48,459,015	5,675,939	7,630,065	94,129	829,757	142,422	299,034	63,130,361
Accumulated depreciation									
Balance as at 1 August 2023		2,761,029	0	2,403,606	76,842	26,000	0	0	5,267,477
Acquisition of subsidiaries		0	1,659,131	87,096	0	253,187	87,291	14,100	2,100,805
Current charge		811,109	512,978	1,345,009	51,355	116,692	13,203	38,662	2,889,008
Derecognition		0	(157,902)	0	(53,638)	0	0	0	(211,540)
Lease termination		0	0	0	(20,226)	0	0	0	(20,226)
Currency translation differences		0	(298)	(3,068)	0	(97)	0	(1,258)	(4,721)
Balance as at 31 July 2024		3,572,138	2,013,909	3,832,643	54,333	395,782	100,494	51,504	10,020,803
Carrying amount									
Balance as at 31 July 2024		44,886,877	3,662,030	3,797,422	39,796	433,975	41,928	247,530	53,109,558

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

Right-of-use assets (continued)

Group	Leasehold land RM	Factory RM	Hostels RM	Motor vehicle RM	Total RM
31 July 2023					
At cost					
Balance as at 1 August 2022	44,055,473	6,137,865	72,236	0	50,265,574
Additions	0	0	46,041	156,000	202,041
Acquisition of a subsidiary	3,119,900	0	0	0	3,119,900
Balance as at 31 July 2023	47,175,373	6,137,865	118,277	156,000	53,587,515
Accumulated depreciation					
Balance as at 1 August 2022	1,888,579	1,421,666	37,608	0	3,347,853
Current charge	752,550	981,940	39,234	26,000	1,799,724
Acquisition of a subsidiary	119,900	0	0	0	119,900
Balance as at 31 July 2023	2,761,029	2,403,606	76,842	26,000	5,267,477
Carrying amount					
Balance as at 31 July 2023	44,414,344	3,734,259	41,435	130,000	48,320,038

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

Lease liabilities

Group	Buildings RM	Factory RM	Hostels RM	Motor vehicle RM	Office equipments RM	Warehouse RM	Total RM
31 July 2024							
Balance as at 1 August 2023	3,984,775	43,032	108,663	0	0	0	4,136,470
Acquisition of subsidiaries	101,117	0	71,951	17,870	156,286	4,594,403	
Additions	1,316,494	64,164	354,008	38,501	137,007	2,157,226	
Lease payments	(1,478,651)	(54,500)	(119,116)	(15,010)	(46,024)	(2,347,334)	
Interest expense (Note 22)	211,761	2,739	15,008	916	12,728	408,827	
Lease termination	0	(14,781)	0	0	0	(14,781)	
Currency translation differences	(836)	(5,854)	0	(3,536)	0	(6,036)	(16,262)
Balance as at 31 July 2024	4,025,037	4,129,642	40,654	426,978	42,277	253,961	8,918,549
31 July 2023							
Balance as at 1 August 2022	4,911,382	0	36,264	0	0	0	4,947,646
Additions	0	46,041	124,800	124,800	124,800	170,841	
Lease payments	(1,128,000)	(41,600)	(21,825)	(21,825)	(21,825)	(1,191,425)	
Interest expense (Note 22)	201,393	2,327	5,688	5,688	5,688	209,408	
Balance as at 31 July 2023	3,984,775	43,032	108,663	108,663	108,663	4,136,470	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

	Group		
	2024	2023	
	RM	RM	
Represented by:			
Current liabilities	2,010,072	1,029,920	
Non-current liabilities	6,908,477	3,106,550	
	<u>8,918,549</u>	<u>4,136,470</u>	
Lease liabilities owing to financial institutions	310,987	108,663	
Lease liabilities owing to non-financial institutions	8,607,562	4,027,807	
	<u>8,918,549</u>	<u>4,136,470</u>	

(a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

(b) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	60 years
Buildings	2 - 9 years
Factory	2 - 8 years
Hostels	2 - 5 years
Motor vehicle	2 - 5 years
Office equipments	1 - 5 years
Warehouse	6 years

(c) The leasehold land with a total carrying amount of RM4,576,708 (2023: RM7,646,996) of the Group are pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 15(d) to the financial statements.

(d) The Group has certain leases of factory and equipments with lease term of twelve (12) months or less, and low-value leases of machineries and equipment of RM20,000 and below. The Group applies the 'short-term lease' and 'lease of low-value assets' exemptions for these leases.

(e) The following are the amounts recognised in profit or loss:

	Group		
	2024	2023	
	RM	RM	
Depreciation charge of right-of-use assets	2,889,008	1,799,724	
Interest expense on lease liabilities (included in finance costs)	408,827	209,408	
Expense relating to short-term leases (included in other operating expenses)	836,879	1,196,802	
Expense relating to leases of low-value assets (included in other operating expenses)	198,870	99,106	
Variable lease payments (included in other operating expenses)	1,542,989	1,361,231	
Gain on lease termination (included in other operating income)	(333)	0	
	<u>5,876,240</u>	<u>4,666,271</u>	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as lessee (continued)

(f) The following are total cash outflows for leases as a lessee:

	Group	
	2024	2023
	RM	RM
Included in net cash from/(used in) operating activities:		
Payments relating to:		
- short-term leases	836,879	1,196,802
- low value assets	198,870	99,106
- variable lease payments	<u>1,542,989</u>	<u>1,361,231</u>
	2,578,738	2,657,139
Included in net cash (used in)/from investing activities:		
Purchase of right-of-use assets	1,301,999	31,200
Included in net cash used in financing activities:		
Payment of lease liabilities	<u>2,347,334</u>	<u>1,191,425</u>
Total cash outflows for leases	<u>6,228,071</u>	<u>3,879,764</u>

(g) The Group has a lease contract for hostels that contains variable payments based on the number of employees using the services. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur.

A 15% increase in number of employees using the services would increase total lease payments by 4% (2023: 22%).

(h) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group	
	2024	2023
	RM	RM
Purchase of right-of-use assets		
Financed by lease liabilities	3,459,225	202,041
Cash payments on purchase of right-of-use assets	<u>(2,157,226)</u>	<u>(170,841)</u>
	1,301,999	31,200

(i) The Group leases several lease contracts that include extension options. These are used to maximise operational flexibility in terms of managing the assets used in the operations of the Group. The following are the undiscounted potential future rental payments that are not included in the lease term:

	Group	
	2024	2023
	RM	RM
Extension options expected not to be exercised		
- within five (5) years	<u>2,041,911</u>	<u>1,087,200</u>

(j) Information on financial risks of lease liabilities is disclosed in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	RM	RM
Unquoted shares, at cost	81,099,237	66,872,178
Redeemable preference shares ('RPS')	38,200,000	38,200,000
Equity contributions in subsidiaries in respect of share grant scheme	5,314,234	4,715,714
	<u>124,613,471</u>	<u>109,787,892</u>

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective ownership interest		Principal activities
		2024	2023	
		%	%	
UWC Holdings Sdn. Bhd. #	Malaysia	100	100	Provision of precision sheet metal fabrication and value-added assembly services
UWC Industrial Sdn. Bhd. #	Malaysia	100	100	Provision of precision sheet metal fabrication and value-added assembly services, contract manufacturing of automated test equipment
UPLUS Solutions Sdn. Bhd. #	Malaysia	60	60	Provision of engineering, designing, manufacturing and assembling for automation solutions
USurface Technology Sdn. Bhd. #	Malaysia	61	51	Manufacturing of machinery, provision of sheet metal fabrication and finishing treatment
C Max Manufacturing Sdn. Bhd. #	Malaysia	70	70	Provision of precision sheet metal fabrication
WEPLUS Greentech Sdn. Bhd. #	Malaysia	51	51	Manufacturing, trading, distribution and assembling of all range of plastic injection molding products and plastic parts
UWC Technology Sdn. Bhd. #	Malaysia	100	100	Manufacturing front end semiconductor equipment and components
UW-C Pte Ltd *	Singapore	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (continued)

(b) Details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Effective ownership interest		Principal activities
		2024	2023	
North Greentech Sdn. Bhd. *	Malaysia	60	0	Dormant
MCE Technologies Sdn. Bhd. #	Malaysia	51	0	Manufacturing in metal components
<u>Subsidiary of UWC Holdings Sdn. Bhd.</u>				
UWC Automation Sdn. Bhd. #	Malaysia	100	100	Provision of precision machined components
<u>Subsidiary of MCE Technologies Sdn. Bhd.</u>				
MCT (Thailand) Co., Ltd ^	Thailand	51	0	Metal stamping for computer equipment and automotive spare parts

Subsidiaries are audited by BDO PLT, Malaysia.

* The results are consolidated based on the unaudited financial statements.

^ Subsidiary is audited by BDO Audit Company Limited, an overseas member firm of the BDO network in Thailand.

(c) Acquisition of subsidiaries

MCE Technologies Sdn. Bhd. and its subsidiary

On 22 September 2023, the Company had acquired 3,825,000 ordinary shares in MCE Technologies Sdn. Bhd. ('MCET'), representing 51% equity interest in MCET, for a purchase consideration of SGD1,012,509 (equivalent to RM3,521,619). Concurrently, MCET acquired 100% equity interest in MCT (Thailand) Co., Ltd ('MCT'), for a purchase consideration of SGD1,706,566 (equivalent to RM5,935,626).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Acquisition of subsidiaries (continued)

MCE Technologies Sdn. Bhd. and its subsidiary (continued)

Fair value of the identifiable total assets and liabilities acquired and the effects on cash flows arising from the acquisition were as follows:

	At date of acquisition RM
Property, plant and equipment	7,653,455
Right-of-use assets	4,249,943
Inventories	4,820,339
Trade and other receivables	16,345,130
Current tax assets	561
Deferred tax assets	128,000
Cash and bank balances	1,414,579
Borrowing	(984,288)
Lease liabilities	(4,594,403)
Trade and other payables	(9,531,432)
Total identifiable net assets	<u>19,501,884</u>
 Purchase consideration settled by cash	
- the Company	3,521,619
- MCET	<u>5,935,626</u>
 Non-controlling interests	9,457,245
Fair value of identifiable net assets	<u>9,558,570</u>
Bargain purchase	<u>(19,501,884)</u>
	<u>(486,069)</u>

The effects of the acquisition on cash flows of the Group are as follows:

	RM
Consideration paid in cash	9,457,245
Less: Cash and cash equivalents of subsidiary acquired	<u>(1,414,579)</u>
Net cash outflows on the acquisition	<u>8,042,666</u>

The net profit after tax of the subsidiaries for the financial period recognised since the acquisition date included in the statements of profit or loss and other comprehensive income amounted to RM13,277.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Acquisition of subsidiaries (continued)

MCE Technologies Sdn. Bhd. and its subsidiary (continued)

If the acquisition occurred on 1 August 2023, revenue and profit after tax of the Group for the financial year ended 31 July 2024 would be RM256,471,398 and RM13,437,720 respectively.

UWC Technology Sdn. Bhd.

Previously, on 28 April 2023, the Company had acquired 100,000 ordinary shares in UWC Technology Sdn. Bhd. ('UWCT'), representing 100% equity interest in UWCT for a purchase consideration of RM1,330,000 ('Acquisition').

Fair value of the identifiable total assets and liabilities acquired and the effects on cash flows arising from the acquisition were as follows:

	At date of acquisition RM
Right-of-use assets	3,000,000
Other receivables	19,563
Cash and bank balances	17,544
Borrowings	(1,019,848)
Other payables	(687,259)
Total identifiable net assets	<u>1,330,000</u>

The effects of the acquisition on cash flows of the Group are as follows:

	RM
Consideration paid in cash	1,330,000
Less: Cash and cash equivalents of subsidiary acquired	(17,544)
Net cash outflows on the acquisition	<u>1,312,456</u>

The acquisition of UWCT was accounted for as an acquisition of assets.

(d) Changes in investments in subsidiaries during the financial year are as follows:

(i) MCE Technologies Sdn. Bhd ('MCET')

On 9 July 2024, MCE Technologies Sdn. Bhd. ('MCET') further issued an additional 11,638,000 new ordinary shares of RM1 each. The Company further subscribed 5,935,380 ordinary shares for a total consideration of RM5,935,380. Pursuant to that, the equity interest of the Company remained at 51%.

(ii) USurface Technology Sdn. Bhd. ('Usurface')

Previously, on 20 July 2023, the Company subscribed 2,040,000 ordinary shares at an issue price of RM1.00 per share in USurface by way of capitalisation of amount owing by subsidiary amounted to RM2,040,000. Pursuant to that, the equity interest of the Company remained at 51%.

On 31 July 2024, the Company subscribed 4,260,000 ordinary shares at an issue price of RM1.00 per share in USurface by way of capitalisation of amount owing by subsidiary amounted to RM4,260,000. Pursuant to that, the equity interest of the Company has increased from 51% to 61%.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (continued)

(d) Changes in investments in subsidiaries during the financial year are as follows (continued):

(iii) WEPLUS Greentech Sdn. Bhd. ('WEPLUS')

Previously, on 9 August 2022, the Company acquired additional 60,902 ordinary shares in WEPLUS, by way of acquiring 29,001 ordinary shares of RM1.00 each from Lim Kean Tong and 31,901 ordinary shares of RM1 each from Usotech Solution Sdn. Bhd. for total consideration of RM60,902.

Previously, on 20 July 2023, WEPLUS issued additional 120,000 new ordinary shares of RM1.00 each. The Company subscribed 61,200 ordinary shares by way of capitalisation of amount owing by subsidiary amounted to RM60,000 and by way of cash amounted to RM1,200. Pursuant to that, the Company now holds 209,105 ordinary shares and the equity interest in WEPLUS increased from 30% to 51% and became a subsidiary of UWC Berhad.

On 31 July 2024, the Company subscribed 510,000 ordinary shares at an issue price of RM1.00 per share in WEPLUS by way of capitalisation of amount owing by subsidiary amounted to RM510,000. Pursuant to that, the equity interest of the Company remained at 51%.

(iv) UWC Technology Sdn. Bhd. ('UWCT')

Previously, on 19 June 2023, UWCT further issued an additional 2,400,000 new ordinary shares of RM1 each. The Company further subscribed of 2,400,000 ordinary shares for a total consideration of RM2,400,000. Subsequently on 6 July 2023, the Company has further subscribed 1,000,000 Redeemable Preference Shares ('RPS') with total consideration of RM1,000,000. Pursuant to that, the equity interest in UWCT remained at 100%.

(v) UWC Holdings Sdn. Bhd. ('UWCH')

Previously, on 1 July 2023, the Company has subscribed 6,000,000 RPS at an issue price of RM1.00 per share in its wholly-owned subsidiary, UWCH by way of capitalisation of amount owing by subsidiary amounted to RM6,000,000. Pursuant to that, the equity interest of the Company in UWCH remained at 100%.

(vi) UWC Industrial Sdn. Bhd. ('UWCI')

Previously, on 20 July 2023, the Company has subscribed 31,200,000 RPS at an issue price of RM1.00 per share in its wholly-owned subsidiary, UWCI by way of capitalisation of amount owing by subsidiary amounted to RM31,200,000. Pursuant to that, the equity interest of the Company remained at 100%.

(e) On 29 April 2024, the Company incorporated North Greentech Sdn. Bhd. ('NG') with paid-up share capital of RM100 comprising of 100 ordinary share. The Company subscribed 60 ordinary shares for a total consideration of RM60. Pursuant to that, the Company holds 60 ordinary shares representing 60% equity interest in NG.

(f) Previously, on 14 November 2022, the Company incorporated a wholly-owned subsidiary, UW-C Pte Ltd in Singapore with an issued and paid-up share capital of SGD1 (equivalent to RM3.34).

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (continued)

(g) The subsidiaries of the Group that has non-controlling interest ('NCI') is as follow:

	UPLUS Solutions Sdn. Bhd.	USurface Technology Sdn. Bhd.	C Max Manufacturing Sdn. Bhd.	WEPLUS Greentech Sdn. Bhd.	North Greentech Sdn. Bhd.	MCE Technologies Sdn. Bhd.	MCT (Thailand) Co., Ltd	Total
31 July 2024								
NCI percentage of ownership interest and voting interest	40%	39%	30%	49%	40%	49%	49%	49%
Carrying amount of NCI (RM)	424,709	1,972,238	9,042	926,091	(2,088)	8,286,578	6,168,578	17,785,148
Profit/(Loss) allocated to NCI (RM)	60,234	(2,091,422)	6,488	250,032	(2,128)	(1,112,528)	538,978	(2,350,346)
Other comprehensive loss allocated to NCI (RM)	0	0	0	0	0	0	(232,485)	(232,485)
Total comprehensive income/(loss) allocated to NCI (RM)	60,234	(2,091,422)	6,488	250,032	(2,128)	(1,112,528)	306,493	(2,582,831)
31 July 2023								
NCI percentage of ownership interest and voting interest	40%	49%	30%	49%	30%	49%	49%	49%
Carrying amount of NCI (RM)	364,475	1,629,363	2,554	186,059	186,059	2,182,451		
(Loss)/Profit allocated to NCI (RM)	(27,039)	(1,147,955)	3,543	(24,396)	(24,396)	(1,195,847)		
Other comprehensive loss allocated to NCI (RM)	0	0	0	0	0	0	0	0
Total comprehensive income/(loss) allocated to NCI (RM)	(27,039)	(1,147,955)	3,543	(24,396)	(24,396)	(1,195,847)		

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (continued)

(h) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of reporting period are as follows:

	UPLUS Solutions Sdn. Bhd. 31 July 2024	Usurface Technology Sdn. Bhd. RM	C Max Manufacturing Sdn. Bhd. RM	WEPLUS Greentech Sdn. Bhd. RM	North Greentech Sdn. Bhd. RM	MCE Technologies Sdn. Bhd. RM	MCT (Thailand) Co., Ltd RM	Total RM
Assets and liabilities								
Non-current assets								
Current assets	77,023	4,885,122	0	1,810,450	0	19,400,377	3,879,397	30,052,369
Non-current liabilities	1,085,888	1,469,131	1,281,956	2,969,877	0	7,734,219	14,765,484	29,306,555
Current liabilities	(8,400)	(149,239)	0	(419,313)	0	(3,415,700)	(598,230)	(4,590,882)
Net assets/(liabilities)	(92,739)	(1,147,993)	(1,251,819)	(2,471,033)	(5,221)	(6,807,513)	(5,457,718)	(17,234,036)
	1,061,772	5,057,021	30,137	1,889,981	(5,221)	16,911,383	12,588,933	37,534,006
Results								
Revenue	1,839,472	1,603,993	0	3,475,025	0	13,186,170	20,275,338	40,379,998
Profit/(Loss) for the financial year/ period	150,586	(4,268,209)	21,625	510,270	(5,321)	(2,270,466)	1,099,958	(4,761,557)
Total comprehensive income/(loss)	150,586	(4,268,209)	21,625	510,270	(5,321)	(2,270,466)	625,496	(5,236,019)
Cash flows from/(used in) operating activities								
Cash flows from/(used in) investing activities	490,757	2,013,731	132,610	690,612	(719)	11,528,355	6,051,837	20,907,183
Cash flows (used in)/from financing activities	12,466	(1,563,672)	37,430	(1,191,014)	0	(11,622,763)	(829,600)	(15,157,153)
Net increase/(decrease) in cash and cash equivalents	0	(325,300)	0	859,113	0	(877,687)	(945,023)	(1,288,897)
	503,223	124,759	170,040	358,711	(719)	(972,095)	4,277,214	4,461,133

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

7. INVESTMENTS IN SUBSIDIARIES (continued)

(h) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of reporting period are as follows (continued):

	UPLUS Solutions Sdn. Bhd. RM	USurface Technology Sdn. Bhd. RM	C Max Manufacturing Sdn. Bhd. RM	WEPLUS Greentech Sdn. Bhd. RM	Total RM
31 July 2023					
Assets and liabilities					
Non-current assets	56,068	3,594,860	0	0	3,650,928
Current assets	960,831	1,107,955	1,111,753	385,054	3,565,593
Non-current liabilities	0	(147,821)	0	0	(147,821)
Current liabilities	(105,713)	(1,229,764)	(1,103,241)	(5,342)	(2,444,060)
Net assets	911,186	3,325,230	8,512	379,712	4,624,640
Results					
Revenue	981,371	2,149,726	0	115,261	3,246,358
(Loss)/Profit for the financial year/ period	(67,598)	(2,342,765)	11,810	(43,941)	(2,442,494)
Total comprehensive (loss)/income	(67,598)	(2,342,765)	11,810	(43,941)	(2,442,494)
Cash flows (used in)/from operating activities					
Cash flows (used in)/from investing activities	(576,086)	(2,139,078)	998,239	(25,513)	(1,742,438)
Cash flows from financing activities	(1,815)	(2,253,832)	23,568	1,721	(2,230,358)
Net (decrease)/increase in cash and cash equivalents	0	4,262,334	0	13,200	4,275,534
	<u>(577,901)</u>	<u>(130,576)</u>	<u>1,021,807</u>	<u>(10,592)</u>	<u>302,738</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

8. INVENTORIES

	Group	
	2024	2023
	RM	RM
At cost		
Raw materials	41,138,263	39,406,855
Work-in-progress	14,798,201	9,627,960
Finished goods	10,055,925	14,338,676
	<u>65,992,389</u>	<u>63,373,491</u>
At net realisable value		
Finished goods	528,321	0
	<u>66,520,710</u>	<u>63,373,491</u>

- (a) Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out formula. The cost of raw materials comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.
- (b) A write-down of inventories to net realisable value and write-off of inventories of RM154,124 and RM335,395 respectively were made during the year.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Trade receivables				
Third parties	81,506,874	59,772,083	0	0
Dividend receivable from subsidiaries	0	0	0	5,353,600
	<u>81,506,874</u>	<u>59,772,083</u>	<u>0</u>	<u>5,353,600</u>
Less: Impairment losses	(1,126,355)	(807,301)	0	0
	<u>80,380,519</u>	<u>58,964,782</u>	<u>0</u>	<u>5,353,600</u>
Other receivables				
Third parties	25,775,878	12,905,425	0	0
Amounts owing by subsidiaries	0	0	9,503,340	0
	<u>25,775,878</u>	<u>12,905,425</u>	<u>9,503,340</u>	<u>0</u>
Less: Impairment losses	(21,168)	(30,440)	0	0
	<u>25,754,710</u>	<u>12,874,985</u>	<u>9,503,340</u>	<u>0</u>
Deposits and prepayments				
Deposits	1,373,927	965,767	0	352,716
Prepayments	3,402,191	2,034,038	0	170,635
	<u>4,776,118</u>	<u>2,999,805</u>	<u>0</u>	<u>523,351</u>
	<u>110,911,347</u>	<u>74,839,572</u>	<u>9,503,340</u>	<u>5,876,951</u>

- (a) Total trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

9. TRADE AND OTHER RECEIVABLES (continued)

- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 180 days (2023: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Amounts owing by subsidiaries are unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents.
- (d) The currency exposure profile of trade and other receivables, net of deposits and prepayments are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	33,255,835	33,134,065	9,503,340	5,353,600
United States Dollar	63,754,506	37,592,380	0	0
Thai Baht	7,402,153	0	0	0
Chinese Yuan	786,569	0	0	0
Euro	759,148	1,073,373	0	0
Others	177,018	39,949	0	0
	<u>106,135,229</u>	<u>71,839,767</u>	<u>9,503,340</u>	<u>5,353,600</u>

- (e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses ('ECL').

The Group uses an allowance matrix to measure the ECL of trade receivables from monthly aging based on common credit risk characteristic - industry.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (Consumer Price Index and Industrial Production Index) and multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Impairment for other receivables and intercompany balances are recognised based on the general approach within MFRS 9 using the forward-looking ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. The Group and the Company defined significant increase in credit risk when there are changes in contractual terms and delay in payment. The Group and the Company considered the qualitative and quantitative information that are reasonable, including historical experience and observable forward-looking information without undue cost or efforts. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

Credit impaired refers to individually determined debtors who have defaulted on payments and are in significant financial difficulties as at the end of the reporting period.

The Group considers trade and other receivables to be in default when the receivables are past due more than twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

9. TRADE AND OTHER RECEIVABLES (continued)

(f) Lifetime expected loss provision for trade receivables are as follows:

Group	Not past due	Trade receivables - days past due			Total
		1 - 30	31 - 60	61 - 90	
31 July 2024					
Trade receivables, gross (RM)	52,022,363	11,069,596	3,942,737	1,089,885	13,382,293
Impairment losses (RM)	(21,293)	(16,854)	(6,548)	(5,521)	(1,076,139)
	<u>52,001,070</u>	<u>11,052,742</u>	<u>3,936,189</u>	<u>1,084,364</u>	<u>12,306,154</u>
					<u>80,380,519</u>
31 July 2023					
Trade receivables, gross (RM)	43,371,903	7,418,303	2,955,308	456,692	5,569,877
Impairment losses (RM)	(17,107)	(21,105)	(27,905)	(9,063)	(732,121)
	<u>43,354,796</u>	<u>7,397,198</u>	<u>2,927,403</u>	<u>447,629</u>	<u>4,837,756</u>
					<u>58,964,782</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

9. TRADE AND OTHER RECEIVABLES (continued)

(g) The reconciliation of movement in the impairment losses of trade receivables is as follows:

	Group Lifetime ECL - not credit impaired	2024 RM	2023 RM
Balance as at 1 August 2023/2022	807,301	1,033,557	
Impairment losses during the year	319,054	0	
Reversal of impairment losses	0	(226,256)	
Balance as at 31 July	<u>1,126,355</u>	<u>807,301</u>	

The Group did not renegotiate the terms of any trade receivables for the financial year ended 31 July 2024 and 31 July 2023.

(h) The reconciliation of movement in the impairment losses of other receivables is as follows:

	Group Lifetime ECL - not credit impaired	2024 RM	2023 RM
Balance as at 1 August 2023/2022	30,440	15,483	
Impairment losses during the year	0	14,957	
Reversal of impairment losses	(9,272)	0	
Balance as at 31 July	<u>21,168</u>	<u>30,440</u>	

(i) No expected credit loss is recognised arising from amounts owing by subsidiaries as it is negligible.

(j) Information on financial risks of trade and other receivables is disclosed in Note 30 to the financial statements.

10. CONTRACT ASSETS

(a) Contract assets represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer.

There were no significant changes in the contract assets during the financial year.

(b) No expected credit loss is recognised arising from contract assets as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

11. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
In Malaysia				
Financial assets at fair value through profit or loss				
Marketable securities				
- unit trust	18,916,270	28,928,183	0	0
Financial assets at fair value through profit or loss				
Unquoted shares	7,919,980	7,900,000	7,919,980	7,900,000
	<u>26,836,250</u>	<u>36,828,183</u>	<u>7,919,980</u>	<u>7,900,000</u>

- (a) Other investments classified as financial assets at fair value through profit or loss are measured at fair value.
- (b) Other investments are denominated in Ringgit Malaysia.
- (c) During the financial year, the Group have recognised a change in fair value amounting to increase of RM500,226 (2023: RM271,927) with regards to the marketable securities.
- (d) Marketable securities are grouped under Level 1 of the fair value hierarchy based on the degree to which the fair value is observable.

Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active market for identical assets and liabilities.

- (e) Unquoted shares are categorised as Level 3 in the fair value hierarchy. Fair value of unquoted shares are estimated based on adjusted recent transacted price.
- (f) There is no transfer between levels in the hierarchy during the financial year.

12. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	80,716,418	95,746,517	3,422,422	5,459,366
Deposits with licensed banks	270,398	0	0	0
	<u>80,986,816</u>	<u>95,746,517</u>	<u>3,422,422</u>	<u>5,459,366</u>

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	20,977,920	64,244,549	3,422,422	5,459,366
United States Dollar	56,408,755	31,097,396	0	0
Thai Baht	3,270,333	0	0	0
Euro	212,141	368,079	0	0
Others	117,667	36,493	0	0
	<u>80,986,816</u>	<u>95,746,517</u>	<u>3,422,422</u>	<u>5,459,366</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

12. CASH AND BANK BALANCES (continued)

- (c) The interest rate of deposits with licensed banks of the Group is 2.15% to 2.80% per annum.
- (d) Included in the deposits with licensed banks is an amount of RM270,398 pledged as securities for bank guarantees granted to the Group.
- (e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	80,716,418	95,746,517	3,422,422	5,459,366
Deposits with licensed banks	270,398	0	0	0
	80,986,816	95,746,517	3,422,422	5,459,366
Less:				
Deposits pledged with licensed banks	(270,398)	0	0	0
	80,716,418	95,746,517	3,422,422	5,459,366

- (f) No expected credit loss is recognised arising from cash and bank balances as it is negligible.
- (g) Information on financial risks of cash and bank balances is disclosed in Note 30 to the financial statements.

13. SHARE CAPITAL

	Group and Company			
	2024 Number of shares	2024 Amount RM	2023 Number of shares	2023 Amount RM
Issued and fully paid-up ordinary shares with no par value				
Balance as at 1 August 2023/2022	1,101,667,206	120,182,983	1,101,365,006	119,409,431
Share grant scheme	286,900	598,520	302,200	773,552
Balance as at 31 July	1,101,954,106	120,781,503	1,101,667,206	120,182,983

- (a) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 1,101,667,206 ordinary shares to 1,101,954,106 ordinary shares by way of issuance of 286,900 new ordinary shares pursuant to the SGS as disclosed in Note 24 to the financial statements.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

- (b) In the previous financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 1,101,365,006 ordinary shares to 1,101,667,206 ordinary shares by way of issuance of 302,200 new ordinary shares pursuant to the SGS as disclosed in Note 24 to the financial statements.
- (c) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

14. RESERVES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable:				
Reorganisation debit reserve	(56,225,600)	(56,225,600)	0	0
Exchange translation reserve	(474,590)	(223)	0	0
Distributable:				
Retained earnings	371,186,448	356,101,513	24,668,726	8,843,425
	<u>314,486,258</u>	<u>299,875,690</u>	<u>24,668,726</u>	<u>8,843,425</u>

(a) Reorganisation debit reserve

The reorganisation debit reserve arose as a result of the difference between consideration paid over the share capital and reserves of UWC Industrial Sdn. Bhd. and UWC Holdings Sdn. Bhd. and its subsidiary, UWC Automation Sdn. Bhd. pursuant to business combinations under common control.

(b) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity of foreign operation.

15. BORROWINGS [2023 ONLY]

	Group 2023 RM
Non-current liabilities	
Term loans	905,668
Current liabilities	
Term loans	<u>95,439</u>
Total borrowings	
Term loans	<u>1,001,107</u>
The term loans are repayable as follows:	
Current liabilities:	
- not later than one (1) year	95,439
Non-current liabilities:	
- later than one (1) year and not later than five (5) years	365,376
- later than five (5) years	540,292
	<u>1,001,107</u>

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

15. BORROWINGS [2023 ONLY] (continued)

- (a) Borrowings were classified as financial liabilities measured at amortised cost.
- (b) Borrowings were denominated in Ringgit Malaysia.
- (c) The interest rates of the borrowings of the Group were as follows:

	Group 2023 %
Term loans	4.89

- (d) The term loans of the Group were secured by the following:
 - (i) legal charge over leasehold land as disclosed in Note 6(c) to the financial statements;
 - (ii) joint and several guarantee by certain Directors of the Company; and
 - (iii) corporate guarantee by a subsidiary and a related party amounting to RM1,001,107.
- (e) Information on financial risks of borrowings is disclosed in Note 30 to the financial statements.

16. GOVERNMENT GRANTS

	Group 2024 RM	2023 RM
Balance as at 1 August 2023/2022	1,206,001	2,384,171
Addition	2,944,444	0
Amortised during the financial year	(1,553,768)	(1,178,170)
Balance as at 31 July	<u>2,596,677</u>	<u>1,206,001</u>
Represented by:		
Current liabilities	461,955	1,178,170
Non-current liabilities	<u>2,134,722</u>	<u>27,831</u>
	<u>2,596,677</u>	<u>1,206,001</u>

- (a) Government grants related to costs are recognised as income in profit or loss in the period in which the grants had been received to match them with the costs which they are intended to compensate.
- (b) Where the grants related to an asset, they are recognised as income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.
- (c) The Group obtained government grant from the Northern Corridor Implementation Authority Malaysia ('NCIA') and Malaysian Investment Development Authority ('MIDA').

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

17. DEFERRED TAX LIABILITIES

	Group	
	2024	2023
	RM	RM
Balance as at 1 August 2023/2022	9,745,416	8,520,400
Acquisition of subsidiaries	(128,000)	0
Recognised in profit or loss (Note 23)	695,261	1,225,016
Exchange differences	6,000	0
Balance as at 31 July	<u>10,318,677</u>	<u>9,745,416</u>
 <u>Net deferred tax liabilities</u>		
Deferred tax assets (before offsetting)	(578,423)	(468,262)
Offsetting	578,423	468,262
Deferred tax assets (after offsetting)	0	0
 Deferred tax liabilities (before offsetting)	10,897,100	10,213,678
Offsetting	(578,423)	(468,262)
Deferred tax liabilities (after offsetting)	<u>10,318,677</u>	<u>9,745,416</u>
	 <u>10,318,677</u>	 <u>9,745,416</u>

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities/(assets)

Group	Property, plant and equipment	Accrued expenses	Others	Total
	RM	RM	RM	RM
Balance as at 1 August 2023	10,203,078	(468,262)	10,600	9,745,416
Acquisition of subsidiaries	0	0	(128,000)	(128,000)
Recognised in profit or loss	694,022	202,662	(201,423)	695,261
Exchange differences	0	0	6,000	6,000
Balance as at 31 July 2024	<u>10,897,100</u>	<u>(265,600)</u>	<u>(312,823)</u>	<u>10,318,677</u>
 Balance as at 1 August 2022	9,047,500	(540,900)	13,800	8,520,400
Recognised in profit or loss	1,155,578	72,638	(3,200)	1,225,016
Balance as at 31 July 2023	<u>10,203,078</u>	<u>(468,262)</u>	<u>10,600</u>	<u>9,745,416</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	27,499,115	14,693,385	0	0
Other payables				
Third parties	5,969,665	3,647,489	36,021	30,419
Amounts owing to related parties	32,496	76,220	0	0
Amount owing to a subsidiary	0	0	3	3
Accrued expenses	10,345,200	7,143,528	52,150	58,500
Deposits received	340	340	0	0
	16,347,701	10,867,577	88,174	88,922
	43,846,816	25,560,962	88,174	88,922

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 120 days (2023: 30 to 60 days).
- (c) Non-trade portion of amounts owing to related parties and a subsidiary are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.
- (d) The related parties are companies incorporated in Malaysia in which certain Directors have significant and controlling financial interests.
- (e) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	34,521,716	23,404,862	88,174	88,922
United States Dollar	6,019,159	1,469,211	0	0
Thai Baht	1,959,421	0	0	0
Chinese Yuan	885,998	0	0	0
Euro	258,804	62,875	0	0
Singapore Dollar	201,661	618,361	0	0
Others	57	5,653	0	0
	43,846,816	25,560,962	88,174	88,922

- (f) Information on financial risks of trade and other payables is disclosed in Note 30 to the financial statements.

19. CAPITAL COMMITMENTS

	Group	
	2024 RM	2023 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	19,759,264	12,858,418

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

20. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers:				
- sales of goods				
- sales of goods	248,225,337	271,164,874	0	0
- contract revenue	171,867	579,263	0	0
	<u>248,397,204</u>	<u>271,744,137</u>	<u>0</u>	<u>0</u>
Other revenue:				
- dividend income	0	0	16,596,160	5,353,600
	<u>248,397,204</u>	<u>271,744,137</u>	<u>16,596,160</u>	<u>5,353,600</u>
Timing of revenue recognition:				
- transferred over time				
- transferred at a point in time	171,867	579,263		
	<u>248,225,337</u>	<u>271,164,874</u>		
	<u>248,397,204</u>	<u>271,744,137</u>		

Disaggregation of revenue of the Group by geographical market is disclosed in Note 4(a) to the financial statements.

(a) Sale of goods

Revenue from sale of products and services rendered is recognised at a point in time when the products have been transferred or the services have been rendered to the customer and coincides with the delivery of products and services and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve (12) months.

(b) Contract revenue

The contract revenue is recognised over time using output method. The output method recognises revenue when the Group satisfies a performance obligation by transferring a promised good to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve (12) months.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

21. EMPLOYEE BENEFITS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries and allowances	68,207,702	56,675,428	0	0
Directors' remuneration:				
- fees	153,000	144,000	153,000	144,000
- share grant scheme	47,268	2,280	0	0
- emoluments other than fees	3,204,576	4,771,822	12,500	12,000
Contributions to defined contribution plan	5,345,879	4,526,115	0	0
Share grant scheme	551,252	771,272	0	0
Other benefits	7,213,759	6,703,944	0	0
	<u>84,723,436</u>	<u>73,594,861</u>	<u>165,500</u>	<u>156,000</u>

Included in Directors' remuneration of the Group are contributions to a defined contribution plan amounting to RM182,372 (2023: RM293,916).

22. FINANCE COSTS

	Group	
	2024 RM	2023 RM
Interest on:		
- bankers' acceptances	0	15,235
- lease liabilities (Note 6)	408,827	209,408
- term loans	20,048	34,122
	<u>428,875</u>	<u>258,765</u>

23. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense based on profit for the financial year	4,325,800	14,014,500	32,600	18,500
Under/(Over) provision of tax expense in prior years	563,946	(1,190,055)	(710)	(129)
	<u>4,889,746</u>	<u>12,824,445</u>	<u>31,890</u>	<u>18,371</u>

Deferred tax (Note 17):

- relating to origination and reversal of temporary differences	1,130,877	1,469,816	0	0
- overprovision of deferred tax in prior years	(435,616)	(244,800)	0	0
	<u>695,261</u>	<u>1,225,016</u>	<u>0</u>	<u>0</u>
	<u>5,585,007</u>	<u>14,049,461</u>	<u>31,890</u>	<u>18,371</u>

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profits for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

23. TAX EXPENSE (continued)

(b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	18,781,409	67,875,609	15,857,191	4,705,488
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	4,507,500	16,290,100	3,805,800	1,129,400
Tax effects in respect of:				
- non-allowable expenses	2,156,755	1,750,801	209,900	174,000
- income not subject to tax	(1,299,778)	(902,813)	(3,983,100)	(1,284,900)
- tax incentives and allowances	(776,300)	(2,067,100)	0	0
Deferred tax assets not recognised during the financial year	1,219,800	413,328	0	0
Utilisation of deferred tax assets not recognised in prior years	(351,300)	0	0	0
Under/(Over) provision of tax expense in prior years	563,946	(1,190,055)	(710)	(129)
Overprovision of deferred tax in prior years	(435,616)	(244,800)	0	0
	5,585,007	14,049,461	31,890	18,371

(c) The estimated amount of net deferred tax assets calculated at the applicable tax rate, which are not recognised in the financial statements are as follows:

	Group	
	2024 RM	2023 RM
Unabsorbed capital allowances	1,156,327	320,800
Unused tax losses		
- expires by 31 July 2028	6,078,063	6,078,063
- expires by 31 July 2029	0	213,289
- expires by 31 July 2030	0	27,826
- expires by 31 July 2032	1,354,956	2,509,013
- expires by 31 July 2033	1,216,400	1,263,200
- expires by 31 July 2034	3,965,971	0
Other deductible temporary differences	306,017	46,809
	14,077,734	10,459,000

Deferred tax assets of certain subsidiaries has not been recognised in respect of these item as it is not probable that taxable profit of the subsidiaries will be available against which the deductible temporary differences can be utilised.

Any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

23. TAX EXPENSE (continued)

(d) Tax on each component of other comprehensive income is as follows:

Group	Before tax RM	Tax effect RM	After tax RM
2024			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation	(474,367)	0	(474,367)
2023			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation	(223)	0	(223)

24. SHARE GRANT SCHEME ('SGS')

The establishment of employees' Share Grant Scheme ('SGS') was approved by the shareholders at an Extraordinary General Meeting held on 10 January 2020. The SGS was implemented on 13 February 2020 and will continue to be in force for a period of ten (10) years from the date of implementation.

The salient features of the SGS are as follows:

- (i) The Board of Directors shall appoint the SGS Committee to administer the SGS. The SGS Committee shall be vested with such powers and duties conferred upon it by the Board and the Board may determine all matters pertaining to the SGS Committee, including its duties, powers and limitations.
- (ii) Eligible Executive Directors and employees are those who are confirmed employees of the Company and its subsidiaries and has attained the age of eighteen (18) years.
- (iii) The maximum number of shares which may be made available under the Scheme shall not in aggregate exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the tenure of the SGS and out of which not more than seventy percent (70%) shall be allocated to the Executive Directors and senior management of the Group. In addition, not more than ten percent (10%) of the maximum shares available under the SGS shall be allocated to any individual Executive Director or employee who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the total number of issued shares of the Company.
- (iv) The Shares to be issued and/or transferred to the Grantees pursuant to the SGS will rank pari passu, in all respects with the existing shares, save and except that the shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, where the entitlement date is before the date of issuance and/or transfer of the abovementioned shares.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

24. SHARE GRANT SCHEME ('SGS') (continued)

The following table illustrates the movement of shares under the SGS during the financial year:

	Group and Company				Balance as at 31.7.2024
	Number of ordinary shares granted under the SGS				
31 July 2024	Balance as at 1.8.2023	Granted	Vested	Forfeited	Balance as at 31.7.2024
2020 grant	1,100,800	0	(220,000)	(53,600)	827,200
2023 grant	133,400	0	(66,900)	(8,900)	57,600
2024 grant	0	56,800	0	(56,800)	0
	<u>1,234,200</u>	<u>56,800</u>	<u>(286,900)</u>	<u>(119,300)</u>	<u>884,800</u>

	Group and Company				Balance as at 31.7.2023
	Number of ordinary shares granted under the SGS				
31 July 2023	Balance as at 1.8.2022	Granted	Vested	Forfeited	Balance as at 31.7.2023
2020 grant	1,295,900	0	(167,700)	(27,400)	1,100,800
2021 grant	50,000	0	0	(50,000)	0
2022 grant	234,900	0	0	(234,900)	0
2023 grant	0	276,100	(134,500)	(8,200)	133,400
	<u>1,580,800</u>	<u>276,100</u>	<u>(302,200)</u>	<u>(320,500)</u>	<u>1,234,200</u>

- (a) During the financial year, the Company granted 56,800 (2023: 276,100) shares under the SGS to eligible Executive Directors and employees of the Group. The outstanding SGS shares granted will vest at the respective vesting dates provided that the vesting conditions as stipulated in the SGS By-Laws are met.
- (b) The share grants vested during the financial year resulted in the issuance of 286,900 (2023: 302,200) new ordinary shares as disclosure in Note 13 to the financial statements. The weighted average share price at the date of vesting for the financial year was RM2.09 (2023: RM2.56).
- (c) The outstanding share grants at the end of the financial year are to be vested on specific dates in the following periods:
 - (i) The 2020 grant is to be vested within 5 years.
 - (ii) The 2023 grant is to be vested within 1 year.

25. DIVIDEND [2023 ONLY]

	Group and Company		Amount of dividend RM
	2023	Dividend per share RM	
In respect of financial year ended 31 July 2022:			
Interim single-tier dividend		0.0291	32,049,722

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

26. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2024	2023
Profit for the financial year attributable to owners of the parent (RM)	15,546,748	55,021,995
Weighted average number of ordinary shares in issue	1,101,784,324	1,101,667,206
Basic earnings per share (sen)	1.41	4.99

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2024	2023
Profit for the financial year attributable to owners of the parent (RM)	15,546,748	55,021,995
Weighted average number of ordinary shares in issue	1,101,784,324	1,101,667,206
Effect of dilution due to SGS	884,800	1,234,200
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	1,102,669,124	1,102,901,406
Diluted earnings per share (sen)	1.41	4.99

27. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 7 to the financial statements;
- (ii) Companies in which certain Directors have substantial financial interest; and
- (iii) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

27. RELATED PARTY DISCLOSURES (continued)

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ultimate holding:				
Dividend paid	0	16,830,480	0	16,830,480
Related parties:				
Acquisition of a subsidiary	0	0	0	1,330,000
Rental expense	876,193	1,259,102	0	0
Subsidiaries:				
Advances to	0	0	22,709,026	1,785,000
Advances from	0	0	12,500,000	0
Dividend income	0	0	16,596,160	5,353,600

Information regarding outstanding balances with related parties at the end of the financial year are disclosed in Note 9 and Note 18 to the financial statements.

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and of the Company.

(c) Compensation of key management personnel

The remuneration of Directors and other key management personnel are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short term employee benefits				
Contributions to defined contribution plan	4,173,511	6,096,103	165,500	156,000
Share grant scheme				
	272,568	428,556	0	0
	182,232	204,167	0	0
	4,628,311	6,728,826	165,500	156,000

Included in the compensation of key management personnel are Directors' remuneration of the Group and of the Company as disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

28. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2024 RM	2023 RM
<u>Unsecured</u>		
Financial guarantee given to financial institution for credit facilities		
- Limit of guarantee	11,000,000	11,000,000
- Amount utilised	0	0

- (a) The Company provides financial guarantee to financial institution for credit facilities granted to certain subsidiary.
- (b) Financial guarantee contracts are initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation, where appropriate.
- (c) Financial guarantee has not been recognised since the fair values was not material on initial recognition. As at the end of each reporting period, there was no indication that the subsidiary would default on repayment.
- (d) Information on financial risks of financial guarantee contracts is disclosed in Note 30 to the financial statements.

29. CAPITAL MANAGEMENT

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes throughout the reporting periods.

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by total capital. The Group includes within net debt, borrowings and lease liabilities less cash and bank balances. Capital represents equity attributable to the owners of the parent. The net debt-to-equity ratios as at 31 July 2024 and 31 July 2023 are as follows:

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Borrowings	15	0	1,001,107	0	0
Lease liabilities	6	8,918,549	4,136,470	0	0
Less: Cash and bank balances	12	(80,986,816)	(95,746,517)	(3,422,422)	(5,459,366)
Net cash		(72,068,267)	(90,608,940)	(3,422,422)	(5,459,366)
 Total capital		 453,052,909	 422,241,124	 145,450,229	 129,026,408
 Net debt-to-equity ratio		 *	 *	 *	 *

* No net debt-to-equity ratio is presented as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than the twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 July 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

30. FINANCIAL RISK MANAGEMENT

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, foreign currency risk and interest rate risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are organisations that the Group has dealt with for numerous years, and with whom the Group maintains regular visits and communications. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables while the Company's primary exposure is through dividend receivable from subsidiaries and amounts owing by subsidiaries. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period ranges between 30 days to 180 days. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Major classes of financial assets of the Group comprise trade and other receivables and cash and bank balances.

Bank balances possessed by the Group are placed with reputable financial institutions with high credit ratings and no history of default.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

Group	2024		2023	
	RM	% of total	RM	% of total
By countries				
Malaysia	32,534,813	41%	35,015,869	60%
Singapore	23,381,536	29%	15,468,690	26%
United States	11,448,926	14%	3,790,400	6%
Thailand	9,670,909	12%	133,908	0%
Others	3,344,335	4%	4,555,915	8%
	<u>80,380,519</u>	<u>100%</u>	<u>58,964,782</u>	<u>100%</u>

At the end of each reporting period, approximately 43% (2023: 56%) of the trade receivables of the Group were due from three (3) (2023: two (2)) major customers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

30. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one (1) year RM	One (1) to five (5) years RM	More than five (5) years RM	Total RM
2024				
Financial liabilities				
Trade and other payables	43,846,816	0	0	43,846,816
Lease liabilities	2,427,685	7,075,873	607,244	10,110,802
Total undiscounted financial liabilities	<u>46,274,501</u>	<u>7,075,873</u>	<u>607,244</u>	<u>53,957,618</u>
2023				
Financial liabilities				
Trade and other payables	25,560,962	0	0	25,560,962
Borrowings	134,958	485,659	607,336	1,227,953
Lease liabilities	1,197,100	2,769,029	702,000	4,668,129
Total undiscounted financial liabilities	<u>26,893,020</u>	<u>3,254,688</u>	<u>1,309,336</u>	<u>31,457,044</u>
Company				
2024				
Financial liabilities				
Trade and other payables			88,174	
Financial guarantee contracts*			<u>11,000,000</u>	
Total undiscounted financial liabilities			<u>11,088,174</u>	
2023				
Financial liabilities				
Trade and other payables			88,922	
Financial guarantee contracts*			<u>11,000,000</u>	
Total undiscounted financial liabilities			<u>11,088,922</u>	

* Includes the maximum exposure of the liquidity risk for financial guarantee contracts of RM11,000,000 (2023: RM11,000,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

30. FINANCIAL RISK MANAGEMENT (continued)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily in United States Dollar ('USD'), Thai Baht ('THB'), Euro ('EUR') and Chinese Yuan ('CNY').

The following table demonstrates the sensitivity analysis of the profit after tax of the Group to a reasonably possible changes in the USD, THB, EUR and CNY exchange rates against the functional currency of the Group, with all other variables held constant:

Group	Effect on profit after tax	
	2024 RM	2023 RM
USD/RM - strengthen by 15% (2023: 15%)	13,012,428	7,663,144
- weaken by 15% (2023: 15%)	(13,012,428)	(7,663,144)
THB/RM - strengthen by 15% (2023: 15%)	993,289	0
- weaken by 15% (2023: 15%)	(993,289)	0
EUR/RM - strengthen by 15% (2023: 15%)	81,223	157,158
- weaken by 15% (2023: 15%)	(81,223)	(157,158)
CNY/RM - strengthen by 15% (2023: 15%)	(11,335)	0
- weaken by 15% (2023: 15%)	11,335	0

There is no foreign currency risk exposure to the equity, hence the effect of the change in the exchange rate is not explained. Sensitivity analysis of other foreign currencies is not disclosed as it is not material to the Group.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. Interest rates of bank borrowings are mainly subject to fluctuations in the banks' base lending rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by fifty (50) basis points with all other variables held constant:

	Group	
	2024 RM	2023 RM
Profit after tax		
- increase by 0.5% (2023: 0.5%)	(33,890)	(19,523)
- decrease by 0.5% (2023: 0.5%)	33,890	19,523

The effect to the equity of the Group is not presented as it is not affected by the changes in interest rate.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

30. FINANCIAL RISK MANAGEMENT (continued)

(d) Interest rate risk (continued)

The following table sets out the carrying amounts, the weighted average effective interest rates ('WAEIR') or weighted average incremental borrowing rates ('WAIIBR') as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

Group	Note	WAEIR/ WAIIBR* %	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to three (3) years RM	Three (3) to four (4) years RM	Four (4) to five (5) years RM	Over five (5) years RM	Total RM									
31 July 2024																		
Floating rates																		
Lease liabilities	6	5.55*	2,010,072	1,871,974	1,454,776	1,481,683	1,503,849	596,195	8,918,549									
31 July 2023																		
Floating rates																		
Lease liabilities	6	4.31*	1,029,920	630,793	575,825	603,617	610,378	685,937	4,136,470									
Term loans	15	4.89	95,439	91,344	91,344	91,344	91,344	540,292	1,001,107									

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 JULY 2024

31. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 22 September 2023, the Company had entered into a Sale and Purchase Agreement with Meta Health Limited ('META') for the proposed acquisition of 3,825,000 ordinary shares in MCE Technologies Sdn. Bhd. ('MCET'), representing 51% equity interest in MCET, for a purchase consideration of SGD1,012,509 (equivalent to RM3,521,619). Concurrently, MCET acquired 100% equity interest in MCT (Thailand) Co., Ltd ('MCT'), for a purchase consideration of SGD1,706,566 (equivalent to RM5,935,626).

The proposed acquisition was completed on 8 November 2023 and the companies became subsidiaries of UWC Berhad.

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

32.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	See MFRS 112 paragraph 98M

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

32.2 New MFRSs and Amendments to MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards-Volume 11</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for future financial years.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]

31 JULY 2024

33. STATUTORY DISCLOSURE

Pursuant to Section 249(4)(e) of Companies Act 2016, details of auditors' remuneration payable by the Company during the financial year were as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Statutory audit				
- BDO PLT	172,000	86,600	49,400	40,500
- Other firm	69,495	0	0	0
	<hr/> <u>241,495</u>	<hr/> <u>86,600</u>	<hr/> <u>49,400</u>	<hr/> <u>40,500</u>

LIST OF PROPERTIES

No.	Name of registered owner/ Address	Description	Land area (sq. feet)	Tenure	Carrying amount as at 31 July 2024 (RM'000)	Date of acquisition
1	UWC Holdings Sdn. Bhd. PMT 744, Jalan Cassia Selatan 5/1, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	A single-storey detached factory building	177,163	60 years leasehold expiring on 22 July 2075 (remaining tenure of 51 years)	14,657	06-Aug-14
2	UWC Industrial Sdn. Bhd. PMT 745, Jalan Cassia Selatan 5/1, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	A double-storey office building annexed with a single-storey detached factory building	326,029	60 years leasehold expiring on 6 December 2075 (remaining tenure of 52 years)	26,560	06-Aug-14
3	UWC Industrial Sdn. Bhd. PT 6172, Persiaran Cassia Selatan 6, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	A single-storey detached factory building	526,540	60 years leasehold expiring on 8 October 2082 (remaining tenure of 57 years)	28,975	8-Nov-21
4	UWC Technology Sdn. Bhd. (Formerly known as Surfplate Technology Sdn. Bhd.) PMT 860, Persiaran Cassia Selatan 4, Taman Perindustrian Batu Kawan, 14110 Bandar Cassia, Pulau Pinang	A three-storey detached factory building	46,102	60 years leasehold expiring on 21 July 2075 (remaining tenure of 51 years)	2,927	18-Aug-14

ANALYSIS OF SHAREHOLDINGS

AS AT 21 OCTOBER 2024

Total Number of Issued Shares : 1,102,028,306
 Class of Share : Ordinary shares
 Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	48	0.46	796	0.00
100 to 1,000	3,632	34.53	2,376,774	0.21
1,001 to 10,000	5,309	50.48	21,100,146	1.91
10,001 to 100,000	1,232	11.70	35,964,140	3.26
100,001 to 55,101,414	293	2.79	465,011,872	42.20
55,101,415 and above	4	0.04	577,574,578	52.42
Total	10,518	100.00	1,102,028,306	100.00

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1	Dato' Ng Chai Eng	350,473,789	31.80	425,300 [#]	0.04
2	Dato' Lau Chee Kheong	349,901,789	31.75	-	-

Indirect interest through shares held by his son, Dr. Ng Chin Liang pursuant to Section 59(11)(c) of the Companies Act 2016

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Interest	%	Indirect Interest	%
1	Dato' Ng Chai Eng	350,473,789	31.80	425,300 [#]	0.04
2	Dato' Lau Chee Kheong	349,901,789	31.75	-	-
3	Dato' Wan Hashim Bin Wan Jusoh	480,000	0.04	46,000 [^]	-
4	Dato' F'ng Meow Cheng	554,100	0.05	-	-
5	Dato' Lio Chee Yeong	1,110,000	0.10	-	-
6	Jariyah Binti Hashim	-	-	-	-
7	Dr. Ng Chin Liang	425,300	0.04	-	-

Indirect interest through shares held by his son, Dr. Ng Chin Liang pursuant to Section 59(11)(c) of the Companies Act 2016

[^] Indirect interest through shares held by his spouse, Che Mazni Binti Che Wook pursuant to Section 59(11)(c) of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS [CONT'D]

AS AT 21 OCTOBER 2024

LIST OF 30 LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	% OF SHARES
1	LAU CHEE KHEONG	298,101,789	27.05
2	NG CHAI ENG	117,394,851	10.65
3	NG CHAI ENG	91,590,338	8.31
4	NG CHAI ENG	70,487,600	6.40
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG CHAI ENG (PB)	50,000,000	4.54
6	TAN KEAN HEAN	23,920,588	2.17
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	23,198,250	2.11
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	22,325,000	2.03
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	22,058,700	2.00
10	HSBC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - HBAP SG FOR LAU CHEE KHEONG (PB-SGDIV)	21,800,000	1.98
11	HSBC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - HBAP SG FOR NG CHAI ENG (PB-SGDIV)	21,001,000	1.91
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR LAU CHEE KHEONG	20,000,000	1.81
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	11,422,600	1.04
14	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD DBS BANK LTD FOR LAU CHEE KHEONG (SG0114483238-PB)	10,000,000	0.91
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERISLAMIC)	8,222,700	0.75
16	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	8,032,100	0.73
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	7,569,241	0.69
18	AMANAH RAYA TRUSTEES BERHAD PUBLIC ISLAMIC ASEAN GROWTH FUND	6,831,500	0.62
19	AMANAH RAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	5,684,100	0.52
20	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	5,500,300	0.50
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	5,315,700	0.48
22	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	4,949,800	0.45
23	AMANAH RAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	4,921,000	0.45
24	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	4,897,300	0.44
25	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,641,700	0.42
26	AMANAH RAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	4,500,000	0.41
27	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	4,187,100	0.38
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABDN EQ ABSR FD)	4,091,700	0.37
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	4,006,100	0.36
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (ABERDEEN 2)	3,836,000	0.35

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting ("7th AGM") of **UWC BERHAD** ("UWC" or "the Company") will be held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 George Town, Penang, Malaysia on Monday, 6 January 2025 at 2.30 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 July 2024 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire pursuant to Clause 165.1 of the Company's Constitution and who, being eligible, have offered themselves for re-election:

(a)	Dato' Ng Chai Eng	Ordinary Resolution 1
(b)	Dato' Lio Chee Yeong	Ordinary Resolution 2
3. To re-elect Jariyah Binti Hashim as Director who retires pursuant to Clause 156 of the Company's Constitution and being eligible, has offered herself for re-election.
4. To approve and ratify the payment of Directors' fees and benefits paid to the Independent Non-Executive Directors of the Company amounting to RM26,000 for the period from 2 May 2024 until the conclusion of the 7th AGM of the Company.
5. To approve the payment of Directors' fees and benefits payable of up to an aggregate amount of approximately RM195,000 to the Independent Non-Executive Directors from 7 January 2025 until the conclusion of the next AGM of the Company.
6. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolution with or without modifications:

7. **Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** Ordinary Resolution 7

"THAT, subject always to the Companies Act 2016 ("the Act"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant government or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons, as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

AND THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act, read together with Clause 31 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued of the Company arising from issuance of new shares pursuant to this mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

8. To transact any other business of which due notice shall have been given.

By Order of the Board

ONG LU SEE (LS 0006228 | SSM PC No. 201908001450)
KONG SOWN KAEY (MAICSA 7047655 | SSM PC No. 202008001434)
Company Secretaries

Penang
29 November 2024

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

[CONT'D]

Notes:

Appointment of Proxy

1. A proxy need not be a member and a member may appoint any person to be his proxy without limitation save that the proxy must be of full age.
2. A member of the Company entitled to attend, participate, speak and vote at the meeting is entitled to appoint one (1) or more proxies (who need not be members) to attend, participate, speak and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. For a proxy to be valid, the instrument appointing a proxy must be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting PROVIDED that in the event the member(s) duly execute(s) the Proxy Form but does/do not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Proxy Form, other than the particulars of the proxy, have been duly completed by the member(s):

(a) **By hardcopy form**

The Proxy Form must be deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(b) **By electronic means via facsimile**

The Proxy Form must be received via facsimile at +603 2783 9222.

(c) **By electronic means via email**

The Proxy Form must be received via email at is.enquiry@my.tricorglobal.com.

(d) **By electronic means via Tricor System, TIIH Online**

The Proxy Form can be lodged electronically via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.

For options (b) and (c), the Company will require the member to deposit the original executed Proxy Form to the office of Share Registrar before or on the day of meeting for verification purpose.

7. In respect of deposited securities, only members whose names appear on the Record of Depositors on **26 December 2024** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote in his/her behalf.
8. Any authority pursuant to which an appointment is made by a power of attorney must be deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
9. Please ensure that ALL particulars as required in the Proxy Form are completed and said Proxy Form duly signed and dated.
10. Last date and time for lodging this Proxy Form is **Saturday, 4 January 2025 at 2.30 p.m.**
11. For corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please bring the **original/duly certified** certificate of appointment executed in the manner as stated in this Proxy Form if this has not been lodged at the office of the Share Registrar earlier. The certificate of appointment of authorised representative should be executed in the following manner:
 - (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
 - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

[CONT'D]

Explanatory Notes on Ordinary Business:

1. **Ordinary Resolutions 1 and 2** deal with the re-election of Dato' Ng Chai Eng and Dato' Lio Chee Yeong pursuant to Clause 165.1 of the Company's Constitution. Both of them are standing for re-election and being eligible, have offered themselves for re-election at this 7th AGM.

The profiles of the retiring Directors are set out under Profile of Directors in the Annual Report 2024. The Board of Directors ("Board") had, through the Nomination Committee ("NC"), considered the evaluation of Dato' Ng Chai Eng and Dato' Lio Chee Yeong and concluded that both of them met the criteria as prescribed by paragraph 2.20A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") on character, experience, integrity, competence and time to effectively discharge their roles as Directors. The Board and the NC is satisfied with the outcome of the fit and proper assessment and confirmation of their independence (as the case may be) under the annual evaluation. The retiring Directors do not have any conflict of interest with the Company and its subsidiaries (collectively "the Group") save as disclosed in the notes to the audited financial statements and had also abstained from deliberation and decision-making on their own eligibility to stand for re-election.

The Board approved the recommendations from the NC and is supportive of the retiring Directors based on the justifications below:

- 1.1. Dato' Ng Chai Eng is the Executive Director and Group Chief Executive Officer. He is the founder of the Group. Dato' Ng's invaluable experience and in-depth knowledge of management, sales and production as well as his extensive network of business connections in Malaysia and overseas have been instrumental in sustaining the continued growth of the Group. He leads corporate development and business development having successfully concluded several business acquisitions and also leads initiatives to expand market outreach that has contributed to building our businesses and value creation.
- 1.2. Dato' Lio Chee Yeong is the Independent Non-Executive Director ("INED"). He chairs the Remuneration Committee and Nomination Committee and is a member of the Audit Committee and Risk Management Committee. Dato' Lio has fulfilled the requirements on independence as set out in the MMLR. He has exhibited his objectivity through proactive engagements during meetings of both Board and Board Committees by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion.

2. **Ordinary Resolution 3** deal with the re-election of Jariyah Binti Hashim pursuant to Clause 156 of the Company's Constitution. She is standing for re-election and being eligible, has offered herself for re-election at this 7th AGM.

The profile of the retiring Director is set out under Profile of Directors in the Annual Report 2024. The Board had, through the NC, considered the evaluation of Jariyah Binti Hashim and concluded that she met the criteria as prescribed by paragraph 2.20A of the MMLR of Bursa Securities on character, experience, integrity, competence and time to effectively discharge her role as Director. The Board and the NC is satisfied with the outcome of the fit and proper assessment and confirmation of her independence (as the case may be) under the annual evaluation. The retiring Director do not have any conflict of interest with the Group save as disclosed in the notes to the audited financial statements and had also abstained from deliberation and decision-making on her own eligibility to stand for re-election.

The Board approved the recommendation from the NC and is supportive of the retiring Director based on the justifications below:

- 2.1. Jariyah Binti Hashim is the INED. She chairs the Risk Management Committee and is a member of the Remuneration Committee, Nomination Committee and Audit Committee. Puan Jariyah has fulfilled the requirements on independence as set out in the MMLR. She has demonstrated objectivity by providing relevant, independent, and impartial insights on issues discussed during her engagement with the Board and Board Committees.

3. **Ordinary Resolution 4** is to seek the shareholders' approval on the ratification of the payment of the Directors' fees and benefit.

The shareholders approved the payment of Directors' fees and benefits of up to an aggregate amount of approximately RM156,000 to the INEDs at the Sixth AGM held on 8 January 2024, effective from 9 January 2024 until the conclusion of the 7th AGM of the Company.

However, in view of the appointment of an additional INED in May 2024, the Company incurred an additional Directors' fee of RM26,000, resulting in a total of RM182,000 for the INEDs for the period from 9 January 2024 until the conclusion of the 7th AGM of the Company. This resolution seeks to facilitate the advance payment to the Directors of the Company for the specified period.

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

[CONT'D]

Explanatory Notes on Ordinary Business (cont'd):

4. **Ordinary Resolution 5** is to seek shareholders' approval on the Directors' fees and benefits payable to the INEDs. These have been reviewed by the Remuneration Committee and the Board which recognises that the fees and benefits payable is in the best interest of the Company. The quantum of fees and benefits is computed based on the anticipated number of meetings of Board and Board Committees, assuming full attendance by all INEDs. The amount also includes a contingency sum to cater for unforeseen circumstances such as the appointment of any additional INED and additional unscheduled meetings.

Upon approval, this will facilitate payment of directors' fees and benefits payable on current financial year basis, based on the current board size and assuming that all INEDs shall hold office until the end of the financial year. In the event the proposed directors' fees and benefits payable is insufficient (due to the enlarged board size), approval will be sought at the next AGM for additional fees to meet the shortfall. It will also authorise payment to be made by the Company on a monthly basis and/or as and when incurred. The Board is of the view that it is fair and equitable for the INEDs to be paid on a monthly basis and/or as and when incurred particularly after they have discharged their responsibilities and rendered their services to the Company throughout the relevant period.

Details of directors' fees and benefits paid/payable for the financial year ended 31 July 2024 are detailed in the Corporate Governance Report 2024.

Explanatory Notes on Special Business:

1. **Ordinary Resolution 6** is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board to issue shares and allot up to a maximum of ten per centum (10%) of the total number of issued shares of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

It is also to approve the disapplication of statutory pre-emption rights under the Section 85 of the Act, to allot new shares (or to grant rights over shares) without first offering them to existing shareholders in proportion to their holdings pursuant to the said General Mandate.

As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the last AGM held on 8 January 2024 and which will lapse at the conclusion of this 7th AGM. The renewal of this General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make announcement in respect thereof.

STATEMENT ACCOMPANYING NOTICE OF AGM

[PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES]

No individual is standing for election as a Director at the forthcoming 7th AGM of the Company.

PROXY FORM



UWC BERHAD
(Company No: 201801012223) (1274239-A)
(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	

I / We
(Full Name in Block Letters)
and
(NRIC No./Passport No./Registration No.)
of
(Full Address)
and
(Tel. No./Email Address)

being a member/members of UWC Berhad (the "Company"), hereby appoint

Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of Shareholding

*and/or (*delete if not applicable)

Full Name and Address (in Block Letters)	NRIC No./Passport No.	No. of Shares	% of Shareholding

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies, to vote for *me/us on *my/our behalf at the Seventh Annual General Meeting ("7th AGM") of the Company, to be held at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 George Town, Penang, Malaysia on Monday, 6 January 2025 at 2.30 p.m., or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

No.	Ordinary Resolutions	For	Against
1.	To re-elect of Dato' Ng Chai Eng as Director of the Company.		
2.	To re-elect of Dato' Lio Chee Yeong as Director of the Company.		
3.	To re-elect of Jariyah Binti Hashim as Director of the Company.		
4.	To approve and ratify the payment of Directors' fees and benefits paid to the Independent Non-Executive Directors of the Company amounting to RM26,000 for the period from 2 May 2024 until the conclusion of the 7 th AGM of the Company.		
5.	To approve the payment of Directors' fees and benefits payable of up to an aggregate amount of approximately RM195,000 to the Independent Non-Executive Directors from 7 January 2025 until the conclusion of the next AGM of the Company.		
6.	To re-appoint of BDO PLT as Auditors of the Company.		
7.	To approve the authority to allot and issue shares by directors pursuant to Sections 75 and 76 of the Companies Act 2016.		

Signed this day of 20

.....
Signature of Shareholder(s)/Common Seal

* Strike out whichever is not desired.

Notes:

1. A proxy need not be a member and a member may appoint any person to be his proxy without limitation save that the proxy must be of full age.
2. A member of the Company entitled to attend, participate, speak and vote at the meeting is entitled to appoint one (1) or more proxies (who need not be members) to attend, participate, speak and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. For a proxy to be valid, the instrument appointing a proxy must be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting PROVIDED that in the event the member(s) duly execute(s) the Proxy Form but does/do not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the Proxy Form, other than the particulars of the proxy, have been duly completed by the member(s):

- (a) **By hardcopy form**
The Proxy Form must be deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
- (b) **By electronic means via facsimile**
The Proxy Form must be received via facsimile at +603 2783 9222.
- (c) **By electronic means via email**
The Proxy Form must be received via email at enquiry@my.tricorglobal.com.
- (d) **By electronic means via Tricor System, TIIH Online**
The Proxy Form can be lodged electronically via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.

For options (b) and (c), the Company will require the member to deposit the original executed Proxy Form to the office of Share Registrar before or on the day of meeting for verification purpose.

7. In respect of deposited securities, only members whose names appear on the Record of Depositors on **26 December 2024** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote in his/her behalf.
8. Any authority pursuant to which an appointment is made by a power of attorney must be deposited at the office of the Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

9. Please ensure that ALL particulars as required in the Proxy Form are completed and said Proxy Form duly signed and dated.

10. Last date and time for lodging this Proxy Form is **Saturday, 4 January 2025 at 2.30 p.m.**

11. For corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please bring the original/duly certified certificate of appointment executed in the manner as stated in this Proxy Form if this has not been lodged at the office of the Share Registrar earlier. The certificate of appointment of authorised representative should be executed in the following manner:

- (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
- (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Personal Data Privacy

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 7th AGM of the Company and any adjournment thereof.

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Affix
Stamp

The Share Registrar
UWC BERHAD
Registration No. 201801012223 (1274239-A)

c/o Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Then fold here



ADMINISTRATIVE GUIDE OF SEVENTH ANNUAL GENERAL MEETING (“7th AGM” or “AGM”)

Day & Date : Monday, 6 January 2025
Time : 2.30 p.m. or any adjournment thereof
Venue : Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 George Town, Penang, Malaysia

Dear valued Members of UWC Berhad (“**UWC**” or “**the Company**”)

INDIVIDUAL MEMBERS

(1) Members who are unable to attend the AGM and who wish to exercise their votes are encouraged to appoint the Chairman of the meeting to attend and vote on your behalf at the 7th AGM by indicating the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

CORPORATE MEMBERS

(2) Corporate members who wish to appoint corporate representatives instead of a proxy to attend and vote at the 7th AGM must deposit their original or duly certified certificate of appointment of corporate representative to Tricor no later than **Saturday, 4 January 2025 at 2.30 p.m..**
(3) Attorneys appointed by power of attorney are required to deposit their power of attorney to Tricor no later than **Saturday, 4 January 2025 at 2.30 p.m.** to attend and vote at the 7th AGM.
(4) If a corporate member (through its corporate representative(s) or appointed proxy(s) is unable to attend the 7th AGM, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

REGISTRATION ON THE DAY OF 7TH AGM

(5) Registration will commence at 1.15 p.m. and shall remain open until the conclusion of the 7th AGM or such other time as may be determined by Chairman of the meeting. Please read the signage to ascertain the registration area and proceed for registration.
(6) Please present your original National Registration Identity Card (“NRIC”) or Passport (for foreign member) to the registration staff for verification. Please ensure your NRIC or Passport is returned to you after registration.
(7) Upon verification and registration:
(a) please sign on the attendance list and an identification wristband will be provided at the registration counter;
(b) if you are attending the AGM as a member as well as a proxy, you will be registered once and will only be given one identification wristband;
(c) no person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband;
(d) a polling form will be given to you thereafter. There will be no replacement should you lose or misplace the polling form; and
(e) you may proceed to the meeting venue thereafter.
(8) Registration must be done in person. Please also note that you will not be allowed to register on behalf of another person even with the original NRIC or Passport of that other person.
(9) The registration counters will only handle verification of identity, registration and revocation of proxy(s). If you have other queries, please proceed to the Help Desk.

NO DOOR GIFTS / REFRESHMENT

(10) There will be no distribution of door gifts, food or beverage served at the 7th AGM.

PARKING (IS NOT SUBSIDISED)

(11) A flat parking fee will be charged subject to the hotel validation.



ADMINISTRATIVE GUIDE (CONT'D)

OF SEVENTH ANNUAL GENERAL MEETING ("7th AGM" or "AGM")

MEETING

(12) The Meeting will start promptly at 2.30 p.m.. Members are reminded to be punctual.

GENERAL MEETING RECORD OF DEPOSITORS

(13) For the purpose of determining who shall be entitled to attend the 7th AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at **26 December 2024** and only a depositor whose name appears on such Record of Depositors shall be eligible to attend the 7th AGM.

PROXY

(14) A member entitled to attend and vote in the meeting is allowed to appoint proxy. If you are unable to attend the meeting and wish to appoint a proxy or Chairman of the Meeting to attend and vote on your behalf, please submit your Proxy Form in accordance with the notes and instructions printed therein.

(15) You may submit the Proxy Form electronically via TIIH Online website at <https://tiih.online> no later than **Saturday, 4 January 2025 at 2.30 p.m.**. Please do read and follow the procedures to submit Proxy Form electronically below.

(16) Otherwise, you may also submit your Proxy Form to Tricor by facsimile at 03-2783 9222 or email to is.enquiry@my.tricorglobal.com. However, please ensure that the **Original Proxy Form** is deposited at Tricor's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid. No proof of despatch of Proxy Form will be entertained.

(17) The Proxy Form is not required if you are attending the meeting.

(18) If you have submitted your Proxy Form prior to the meeting and subsequently decided to attend the meeting in person, please proceed to the Registration Counter to revoke the appointment of your proxy(s).

ELECTRONIC LODGEMENT OF PROXY FORM

(19) The procedures to lodge your Proxy Form electronically via Tricor's TIIH Online website are summarised as below:

Procedure	Action
Steps for Individual Members	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none">Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services" select "Create Account by Individual Holder". Please do refer to the tutorial guide posted on the homepage for assistance.Registration as a user will be approved within one (1) working day and you will be notified via e-mail.If you are already a user with TIIH Online, you are not required to register again.
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none">After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.Select the corporate event: "UWC 7th AGM – Submission of Proxy Form".Read and agree to the Terms & Conditions and confirm the Declaration.Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy.Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.Review and confirm your proxy(s) appointment.Print Proxy Form for your record.



ADMINISTRATIVE GUIDE (CONT'D) **OF SEVENTH ANNUAL GENERAL MEETING ("7th AGM" or "AGM")**

ELECTRONIC LODGEMENT OF PROXY FORM (cont'd)

(19) The procedures to lodge your Proxy Form electronically via Tricor's TIIH Online website are summarised as below: (cont'd)

Procedure	Action
Steps for Corporation or Institutional Members	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none">Access TIIH Online at https://tiih.online.Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "Create Account by Representative of Corporate Holder".Complete the registration form and upload the required documents.Registration will be verified, and you will be notified by e-mail within one (1) or two (2) working days.Proceed to activate your account with the temporary password given in the e-mail and reset your own password. <p><i>(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarification on the user registration.)</i></p>
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none">Login to TIIH Online at https://tiih.online.Select the corporate event: "UWC 7th AGM – Submission of Proxy Form".Read and agree to the Terms & Conditions and confirm the Declaration.Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Notes set therein.Prepare the file for the appointment of proxies by inserting the required data.Proceed to upload the duly completed proxy appointment file.Select "Submit" to complete your submission.Print the confirmation report of your submission for your record.

MOBILE DEVICES

(20) Please ensure that all mobile devices such as phones/pagers/other sound emitting devices are switched off or put on silent mode during the AGM to ensure smooth and uninterrupted proceedings. Any recording of the proceedings, either vocal or audio visual, is strictly prohibited.

NON-SMOKING POLICY

(21) Smoking is prohibited in the meeting hall. Your cooperation is much appreciated.

PERSONAL BELONGINGS

(22) Please be reminded to take care of your personal belongings as the Company will not be responsible for any lost items that has gone missing resulted in any monetary losses.

ANNUAL REPORT 2024

(23) The Annual Report 2024 is available on Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com under the Company's Announcement of UWC Berhad and the Company website at www.uwcberhad.com.my.



ADMINISTRATIVE GUIDE [CONT'D] OF SEVENTH ANNUAL GENERAL MEETING ("7th AGM" or "AGM")

ENQUIRIES

(24) If you have any enquiry prior to the 7th AGM, please contact our Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299
Facsimile Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com

PERSONAL DATA PRIVACY

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 7th AGM of the Company and any adjournment thereof.

UWC BERHAD
(201801012223)
(1274239-A)

PMT 744-745, Jalan Cassia Selatan 5/1,
Taman Perindustrian Batu Kawan, 14110 Bandar Cassia,
Pulau Pinang, Malaysia.

Tel : 604 – 555 6937
Fax : 604 – 589 9509

www.uwcberhad.com.my